JANUARY 14, 1985 THREE DOLLARS

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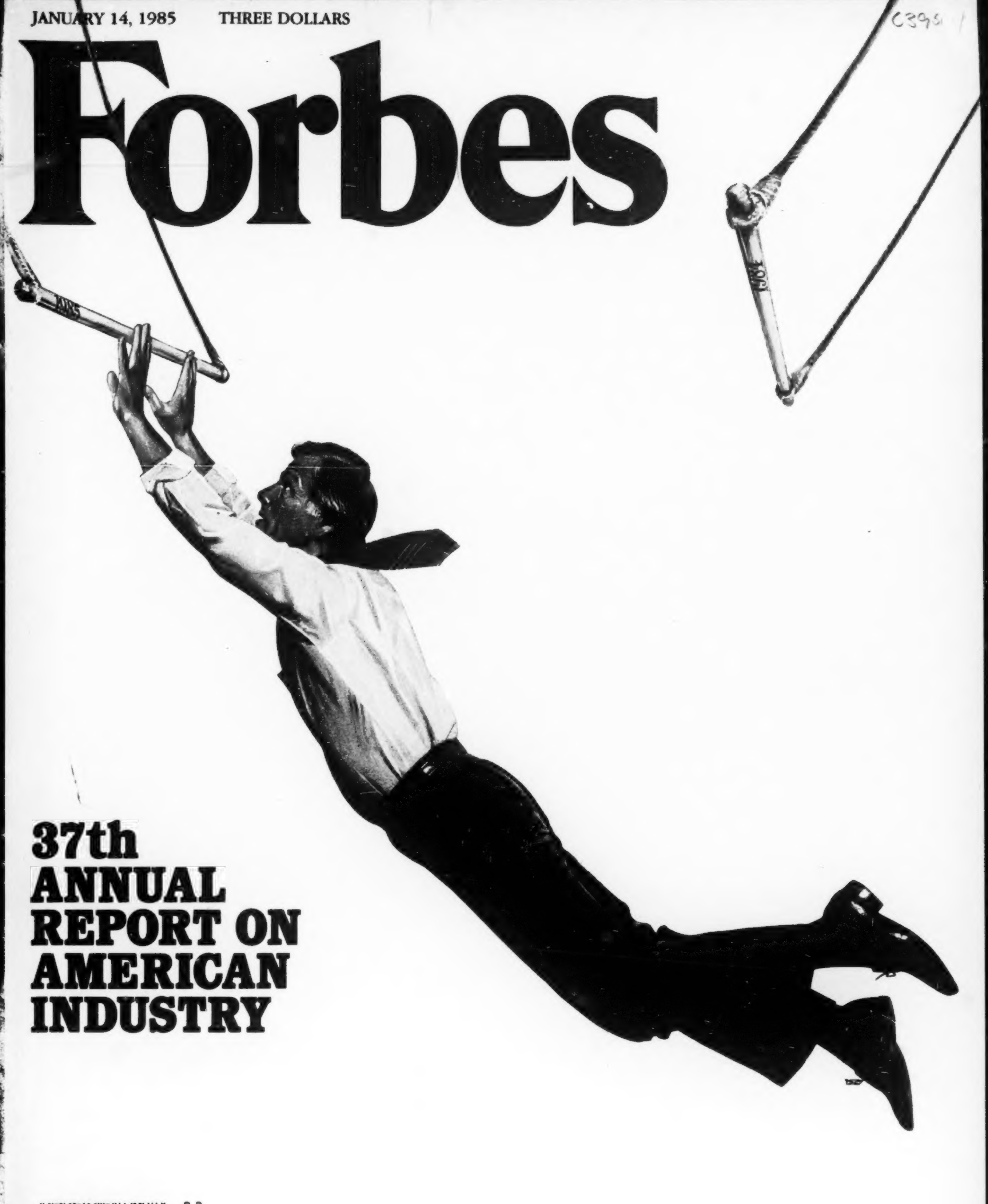

37th ANNUAL REPORT ON AMERICAN INDUSTRY

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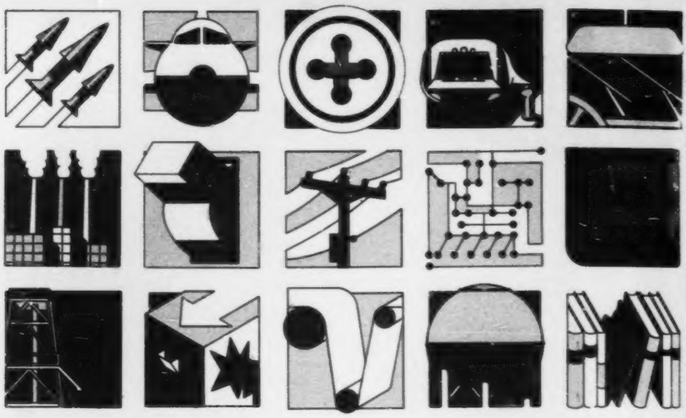

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Number 1

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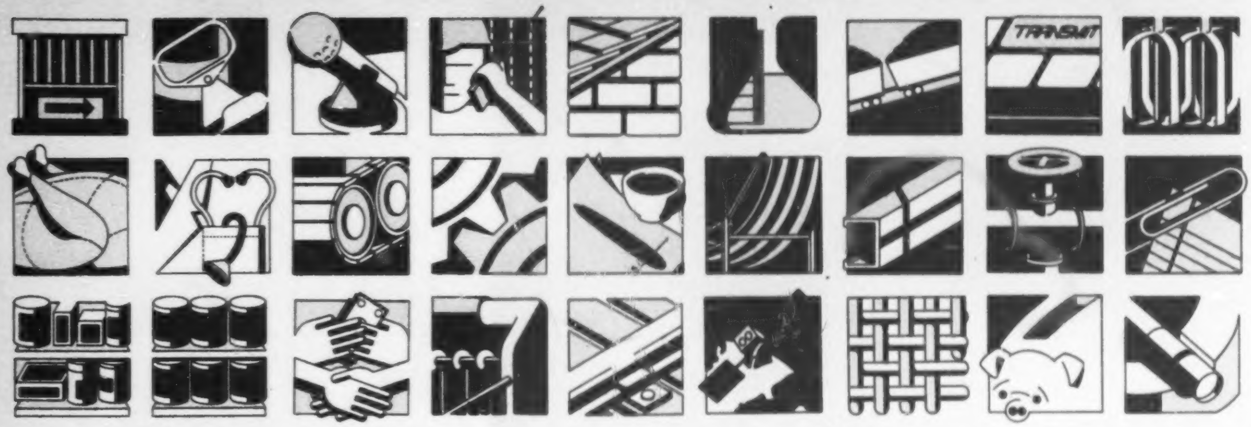

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January 14, 1985 Volume 135 Number 1 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.
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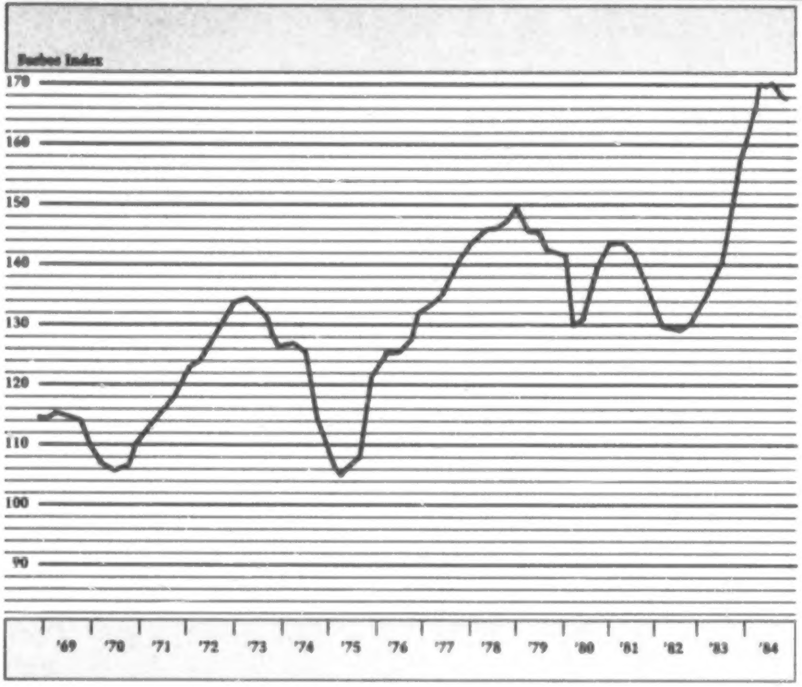
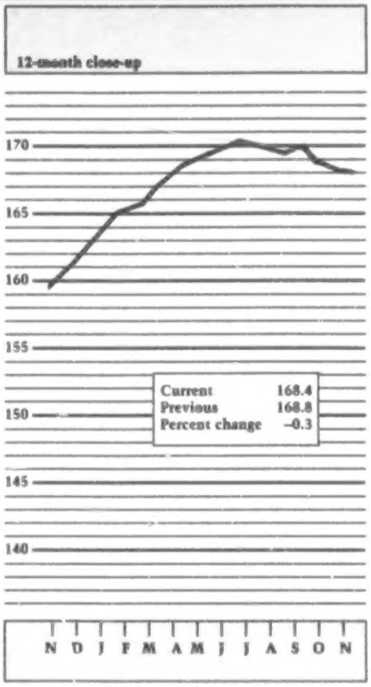
Cover illustration by: Alan Reingold

The Forbes Index





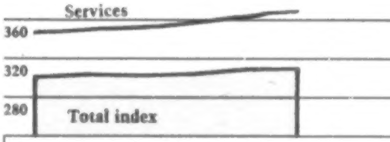
Downhill coast. Since mid-October the Forbes Index has been trending downward, and in the current reporting period it slipped another 0.3%. A sharp decline in new housing starts did most of the damage in the Index. Housing starts fell 20.4% from October to November 1984 and now stand 10.7% lower than they did at the same time in 1983. The recent decline in interest rates, however, is good news for home builders.

Month-to-month figures for industrial production, meanwhile, rose by 0.4%. Other indicators are up, too—personal income by 0.8%, consumer installment credit by 1.4% and November retail sales by 1.8%. It is too soon to tell if the economy is cooling off or heading into a recession, so watch the Index closely over the next few months.

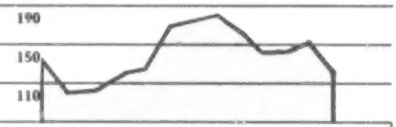
The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

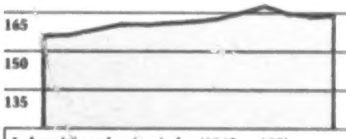
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



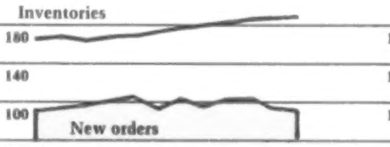
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



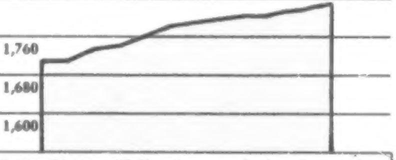
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



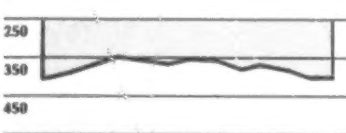
Industrial production index (1967 = 100)
Seasonally adjusted (Federal Reserve)



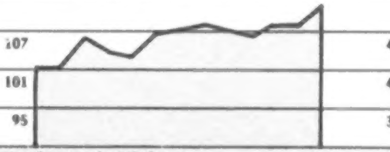
Manufacturers new orders and inventories
($billions) seasonally (Dept. of Commerce)



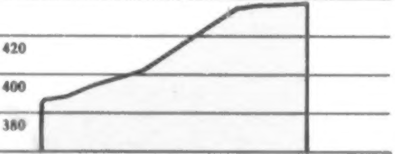
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

THE FORBES YARDSTICKS 1984

The 37th Forbes Annual Report on American Industry evaluates management performance at 1,000 of the nation's largest public companies. The familiar Yardsticks still rank these firms according to long-term profitability and measure their growth in sales and earnings. But there are some big changes this year: A new column in the tables indicates the percentage of corporate sales and profits that comes from each industry group, and two others compare latest 12-month sales and earnings performance against longer-term Yardstick results.

Last year was a time of remarkable change in the corporate world, and the composition of the Annual Report differs accordingly. Because of mergers, leveraged buyouts or shrinking sales, 53 of the firms in last year's issue are gone, including such familiar names as Esmark, Gulf and Royal Crown. Some of the replacements are new businesses spawned by spinoffs and divestiture, such as the seven telephone operating companies that were formerly part of AT&T.

Further additions include companies that recently reached the revenues threshold, currently about $450 million. The smallest newcomer this year is Cooper Tire & Rubber, which had sales of $458 million in 1983. Note also that a company remains in the Annual Report if its stock was publicly traded as of Nov. 15, 1984. That's why firms such as Pay 'n Save and Rolm are part of the rankings, even though they have subsequently been acquired.

Company classifications also have been revised this year. The Annual Report now includes 42 basic industry groups and 82 subgroups. One of the major changes involves the creation of a services group, which brings together companies that were formerly ranked elsewhere. Many new subgroups, such as hospital management and semiconductors, also reflect growing sectors of the economy. To reflect other kinds of change, some groups have been consolidated: Surface transportation, for example, now includes railroads and trucking companies.

As always, however, diversified companies are ranked according to their performance in as many as three industries. Thus IC Industries shows up in diversified companies, food processors and surface transportation. And ITT not only has a spot in diversified companies but also in telecommunications and insurance.

The industry groups appear alphabetically, following this introduction. The index that begins on page 263 is also helpful in cross-referencing specific companies. Notes that follow describe in detail how each of the Yardstick statistics is calculated.

SEGMENT SALES AND PROFIT

The numbers in this column indicate the percentage of a company's sales and profits that come from a particular industry segment. The column is blank whenever 90% or more of sales are within the segment.

FORBES' segment allocations are based on operating profit, before interest and other corporate expenses. This is the way most companies provide segment data. As a result, however, numbers in these columns may not add up to 100%. Also, these columns are not comparable with other columns in the Yardsticks, where calculations are based on net profit figures.

Use these numbers with caution. Line-of-business breakdowns at different companies may not be directly comparable. FORBES' segment definitions may also differ from company designations. Percentages are derived from a company's most recent annual report unless otherwise indicated.

PROFITABILITY

Return on equity is defined as net income divided by common shareholders' equity. For the purposes of these calculations, common shareholders' equity is defined as total shareholders' equity, including the stated value of all preferred stock at the beginning of each year. This figure, however, is adjusted by subtracting the involuntary liquidating value of preferred shares.

The effect of this adjustment is to reduce the equity base and to increase the reported return of firms—companies such as Allied Corp., General Cinema and MCI—that have considerable shares of preferred stock outstanding. In a few cases, the liquidation adjustment leaves a company with negative equity. That happened last year, for

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability

Where to find the Yardsticks

Growth rankings, p. 216
Stock market rankings, p. 232
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Company index, p. 263

example, at MGM Grand Hotels.

In making return-on-equity calculations, Forbes defines *income* as net income after taxes, less dividend requirements for preferred stock, before extraordinary items. In the case of insurance companies, Forbes excludes realized capital gains. Unlike most financial reporting services, Forbes includes discontinued operations. This often serves to distort reported income and profitability—as was the case last year with Control Data. The company took a large writeoff when it stopped selling IBM-compatible disk drives.

TIME PERIODS

Computing an average of five annual time periods requires six fiscal years of data. For companies with fiscal years ending in April through December, *five-year averages* are based on the fiscal years through 1983. For companies with fiscal years ending in January through March, five-year averages include the fiscal years through 1984. When historical data are not comparable or are unavailable, fewer than five years are used for long-term averages; this is indicated by a footnote in the industry Yardstick.

Latest 12 months' comparisons relate the four quarters through September 1984—when available—with the same four quarters of the previous year. In the case of return on equity, income is divided by the prior year's equity figure. For companies with fiscal years not ending in December, time periods vary slightly.

GROWTH RATES

There are a variety of ways to calculate sales and earnings growth, and the method used in this issue is new this year. Statisticians call it the least-squares technique. Calculations are complex, but the number that results is an unusually accurate compound annual rate of growth for the five-year base period.

Note, however, that many of the Annual Report companies—especially those in cyclical groups like airlines and thrift institutions—have earnings growth rates that are reported as Not Meaningful. It is mathematically impossible to calculate a least-squares growth rate using negative numbers, so this happens whenever a company lost money in one of its most recent five fiscal years.

EARNINGS PREDICTABILITY

An example explains this best. Consider two companies, both of which earned $1 in 1978. Suppose the first posted steady annual gains of 12% or so and wound up earning $2 in 1983. At the second firm, however, earnings first dropped to 50 cents, then rose to $3, bobbed a bit in between, then settled at $2 in 1983.

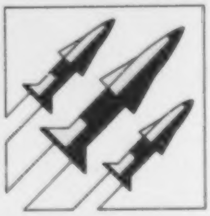
It is possible for both companies to have the same five-year earnings growth rate. But anyone who studies their performance will surely feel more confident that the first can hold its gains better. Forbes calls this confidence factor "earnings predictability," and derives it statistically from the per-share results for the six most recent fiscal years. These calculations involve a statistical technique called coefficient of determination, which measures how much earnings fluctuate from the five-year growth rate. Companies with predictability ratings in the top 20% are designated Very High, those in the next 20%, High, and so on down the line.

DEFINITIONS

For the purposes of this issue, Forbes defines *sales* as net sales plus other operating revenue. In the case of banks, sales is defined as total interest income plus other income. *Net profit margin* is calculated for the latest fiscal year. It is defined as net income divided by net sales, including other operating income. *Debt/equity ratio* is also calculated for the latest fiscal year. It is defined as long-term debt, including capitalized leases, divided by total equity, including preferred equity. *Earnings per share* is calculated on a primary basis.

Industry *medians* for all Yardstick components are calculated by listing companies in rank order and selecting the midpoint. Where there is an even number of companies, and thus no midpoint, an arithmetic average of the two middle companies is substituted.

AEROSPACE AND DEFENSE



With all the fretting over the budget deficit, a few curbs might be put on military spending. But even if that happens, these companies are still likely to do well.

THESE COMPANIES aren't growing quite as fast as they have in recent years. Of the 44 firms surveyed by FORBES, 28 show a lower return on equity for the most recent 12 months than their five-year average. Note, too, that this performance comes during an economic recovery and an increase in military spending. But everything is relative. Aerospace and defense ranks sixteenth among all industries in terms of long-term profitability. Last year it placed eighth. The sun isn't setting here.

Major defense contractors such as General Dynamics, Rockwell, Northrop and Grumman have little to complain about. Their latest 12-month return-on-equity figures are all in excess of 20%, as well as several percentage points above their five-year averages.

Lockheed leads the list with long-term profitability of 87.1%. Todd Shipyards, battling a decline in both earnings and shipbuilding, slipped to second place. Lockheed, however, is an unusual case. It is tops in five-year return on equity but shows a "not meaningful" five-year earnings growth rate—largely because of losses of over $1 billion on the L-1011. Large writeoffs in 1981 reduced equity by more than $200 million. With a smaller equity base and earnings no longer paralyzed by the L-1011, Lockheed, for the moment at least, looks highly profitable.

Roughly three-quarters of these companies show more than double-digit increases in their most recent 12-month earnings. Figures are lower for only three firms: Raytheon, Martin Marietta and Penn Central. Writeoffs are largely to blame at all three.

Commercial aircraft deliveries declined for the third

Aerospace and defense

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Lockheed		1	87.1%	38.3%	0.7	4.0%	17	12.2%	18.8%		NM	25.4%	NM
Todd Shipyards		2	33.0	17.7	0.4	3.5	20	11.5	–12.3	2	21.7%	12.4	high
EG&G	57/ 39	3	30.3	24.5	0.1	5.2	7	15.4	19.0	3	20.4	20.8	very high
Litton Industries	52/ 56	4	25.5	17.4	0.1	6.8	29	5.9	16.3		NM	35.3	NM
Fairchild Industries	72/ 67	5	24.6	8.9	0.4	3.2	16	12.5	–3.2	26	–8.1	39.4	low
Computer Sciences	65/NA	6	24.4	12.3	0.3	2.6	8	15.3	–3.2	21	–0.1	23.9	very low
Raytheon	55/NA	7	23.2	12.0	0.1	5.1	13	13.1	12.2	13	7.7	–23.6	high
Lear Siegler	37/ 35	8	22.9	17.0	0.6	4.4	34	4.6	42.7	20	1.2	25.1	very low
Boeing		9	22.2	25.0	0.1	3.2	18	11.8	–10.4	25	–4.1	117.5	very low
Sanders Associates	67/ 70	10	21.9	15.4	0.1	5.8	2	33.9	29.1	7	13.9	10.3	very high

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc., Forbes

year in a row in 1984, but the two remaining U.S. manufacturers—Boeing and McDonnell Douglas—show current profitability gains in excess of their long-term averages. Neither firm is currently spending billions for all-new aircraft development—hence last year's higher earnings on lower sales.

Manufacturers of general aviation equipment have not been so fortunate. Gates Learjet and Cessna Aircraft show sharply lower profitability performance over the last 12 months. Poor sales at Beech Aircraft are pulling down earnings at Raytheon. And Lear Siegler is scaling back Piper Aircraft, which it acquired in the process of taking over Bangor Punta early last year.

In contrast, Gulfstream Aerospace, which makes big-ticket corporate jets, so far has been more resilient in the general aviation turndown. Gulfstream recorded a slight improvement in its latest 12-month earnings. Barring a major economic setback or rise in fuel prices, the entire industry should pick up as more businesses and individuals turn to private aircraft to reach airports no longer serviced by scheduled carriers.

In 1975 the average debt-to-equity ratio of aerospace and defense firms was 0.4. But since 1980 it has hovered around 0.2. E-Systems, General Dynamics and Northrop all carry little or no debt. But even some of the big numbers are deceptive. Steel and financial services subsidiaries, for example, boost leverage at LTV and Avco.

Cash is also plentiful in this industry. Litton, for example, has over $1.3 billion in its till. Like the rest of the industry, it is well positioned to spend for R&D needed to stay competitive, invest in equity or fixed income instruments or make acquisitions. Some firms—such as Gould, FMC, EG&G and Penn Central—have been using their excess funds to buy back shares. Another possibility: Too much cash could make some of these firms acquisition targets. ■

Aerospace and defense

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Sundstrand	62/ 91	11	21.3%	11.9%	0.2	4.9%	33	4.7%	7.6%	24	–3.4%	31.7%	very low
Martin Marietta	66/ 79	12	21.3	def	0.7	3.6	4	18.1	34.8	16	3.9	P-D	low
Wyman-Gordon	55/NA	13	20.6	13.3	0.1	12.2	37	2.1	5.1	5	17.8	2.8	average
Morton Thiokol	36/ 31	14	20.5	19.4	0.2	5.5	10	13.7	13.3	4	19.8	23.6	average
E-Systems		15	20.1	24.8	0.0	6.7	3	20.9	0.0	1	24.3	14.7	high
General Dynamics	69/ 88	16	19.7	28.1	0.0	4.0	6	16.4	5.6		NM	46.1	NM
Rockwell Intl	72/ 79	17	18.7	21.2	0.1	4.8	28	6.9	15.1	8	12.0	29.0	high
Perkin-Elmer	30/ 33	18	18.0	13.9	0.1	5.6	15	12.8	18.2	15	5.2	52.7	low
Rohr Industries		19	17.9	26.0	0.2	6.2	12	13.3	7.9	9	11.1	33.7	very low
United Technologies	50/ 53	20	17.8	17.4	0.2	3.5	5	17.3	10.7	14	6.0	27.1	average
Harris Corp	31/ 38	21	17.4	12.0	0.3	4.0	14	13.1	37.0	23	–1.8	23.7	very low
Westinghouse Electric	17/NA	22	15.8	15.0	0.1	4.7	26	8.2	4.5	12	8.0	25.4	high
Northrop	65/ 42	23	15.5	26.2	0.0	3.1	11	13.4	12.7	33	–22.5	103.7	low
Gates Learjet		24	15.0	7.0	0.2	0.1	27	6.9	19.2	34	–36.4	500.0+	low
Kaman	48/ 71	25	14.7	18.4	0.4	2.7	20	11.5	19.6	10	10.5	39.8	high
LTV	24/PD	26	14.4	def	1.3	def	30	5.2	64.8		NM	D-D	NM
Honeywell	26/ 26	27	14.3	12.9	0.3	4.0	23	9.9	5.4	18	3.1	28.0	low
Hercules	25/ 33	28	14.2	15.8	0.3	6.6	31	5.1	6.0	22	–1.1	28.5	very low
Ex-Cell-O	38/ 85	29	14.0	11.8	0.1	5.2	32	4.8	15.0	17	3.4	5.9	low
McDonnell Douglas		30	13.4	15.3	0.0	3.4	9	13.9	14.1	11	8.9	23.7	average
FMC	37/ 47	31	13.1	15.6	0.2	4.8	35	3.1	4.9	19	2.5	46.1	average
Grumman		32	13.0	23.7	0.1	5.0	25	9.3	15.2	6	14.7	52.8	low
Signal Cos	43/ 62	33	12.6	10.4	0.1	1.7	22	10.1	7.0	32	–20.6	202.5	high
Textron	37/ 43	34	12.1	8.6	0.2	3.0	40	–2.4	9.6	27	–12.2	24.7	average
Sperry	29/ 26	35	11.2	10.0	0.3	4.4	36	2.9	3.5	29	–14.9	63.1	average
Gould	26/ 23	36	11.1	9.1	0.3	4.8	42	–7.0	15.0	30	–16.6	7.2	high
Avco	50/ 20	37	10.9	10.0	2.2	3.7	24	9.7	6.7	31	–19.0	58.9	high
Texas Instruments	26/PD	38	10.6	27.4	0.2	def	19	11.6	25.9		NM	D-P	NM
Cessna Aircraft		39	10.1	0.3	0.4	def	41	–6.0	32.3		NM	D-P	NM
Penn Central	35/ 29	40	9.1	1.9	0.2	0.8	1	34.6	0.4		NM	–52.1	NM
GenCorp	26/ 35	41	6.5	6.5	0.3	3.1	39	–1.1	11.8	28	–14.2	57.9	low
Singer	40/ 49	42	def	12.9	0.8	0.7	38	–0.2	2.5		NM	500.0+	NM
Talley Industries	31/ 45	43	def	15.5	0.4	2.9	43	–10.0	6.6		NM	45.3	NM
Gulfstream Aerospace			NA	29.2	0.2	9.2		NA	0.5		NA	1.8	NA
Medians			**15.8**	**15.2**	**0.2**	**4.0**		**10.1**	**11.3**		**–1.5**	**27.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

AIR TRANSPORT

The healthiest airlines gained altitude during the economic recovery. And some carriers with less-than-perfect balance sheets managed to fly smoothly. But a few troubled companies crashed.

IT WAS ANOTHER YEAR of spectacular flip-flops in the skies. Boosted by a strong economy, the air transport industry racked up near-record earnings. But several carriers were not so fortunate. As a group, seven troubled companies in our roster collectively lost about $250 million in the first nine months of 1984.

There were also major changes during the period. Trans World Airlines was spun off from its prosperous parent, Trans World Corp. Continental Airlines, 84%-owned by Texas Air, filed for Chapter 11 reorganization, though it continued flying after cutting employee salaries in half. As a restructured low-cost carrier, Continental has generated surprisingly strong profits. Now it is emerging as a viable competitor.

Braniff International, once an industry leader, emerged from two years of bankruptcy greatly slimmed down. Unfortunately, it has been continuing to shrink ever since. Aggressive discounting by AMR's American Airlines, for one, has thwarted Braniff's attempted comeback. On another battlefront, selective fare wars by established carriers also contributed to the failure of Air One and Air Florida.

Despite significantly improved earnings at UAL, Delta, Piedmont and USAir, the passenger group has a paltry 1.6% average five-year return on equity. Six of these 14 airlines have negative five-year returns. Add in the 5

Air transport

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Freight													
Federal Express		1	37.7%	15.5%	0.6	8.0%	1	44.9%	43.8%	1	37.8%	–5.0%	very high
Emery Air Freight		2	28.4	26.2	0.7	3.8	4	8.8	27.8	3	–6.0	46.1	low
Purolator Courier	73/ 77	3	20.4	10.0	0.2	4.2	2	13.8	14.0	2	17.7	–39.6	high
Pittston	34/ 68	4	2.6	def	0.3	def	5	2.3	15.4		NM	D-D	NM
Tiger International	70/PD	5	def	def	8.2	def	3	13.0	15.5		NM	D-D	NM
Medians			20.4	10.0	0.6	3.8		13.0	15.5		–6.0	–39.6	
Passenger													
Piedmont Aviation		1	25.8%	19.3%	1.8	2.7%	3	29.1%	42.6%	1	6.2%	190.6%	very low
USAir Group		2	23.3	20.1	0.5	5.6	4	20.1	17.0	2	4.4	79.6	low
Frontier Holdings	89/NA	3	17.2	def	1.1	def	7	14.3	25.6		NM	D-D	NM
PSA		4	14.5	def	1.7	def	6	16.7	26.2		NM	D-D	NM
Delta Air Lines		5	7.8	23.2	0.6	4.1	8	12.8	18.5		NM	D-P	NM

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Sources: Media General Financial Services, Inc.; Forbes

freight forwarders, and the overall results are only slightly higher: Five-year average ROE is 2.9%. Once more, airlines rank close to last among the 42 industry groups in this survey.

But there is a bright spot in this Forbes Yardstick. Last year's results are far better than the negative five-year return the industry posted in 1983. As recently as 1980 these companies had a five-year return of 11.3%. Ah, for those fat years before deregulation.

The four top carriers in terms of five-year return are Piedmont, USAir, Frontier Holdings and PSA. Piedmont and USAir are now major airlines. They reached this status by catering to cities abandoned by the older majors. But none of these four managed to match its five-year profitability during the most recent 12 months. In fact, Frontier and PSA even ran at a loss during that time. This goes to show that outperforming the industry without attracting competition gets harder all the time.

Next in terms of overall profitability come the older major carriers—Delta, Northwest, AMR and UAL. Unlike their regional counterparts, these companies all managed significant improvement during the latest 12 months. But even these gains may not be permanent: Delta, which is rebounding from its first negative fiscal year in more than three decades, is boosting profits with aircraft sales. And AMR will soon offer service to new foreign destinations, which will raise its operating costs.

Eight of the airlines have shown double-digit increases in sales over the latest 12 months. That's important because there is a lot of operating leverage in this industry. Even a slight improvement in load factors can boost earnings sharply.

In today's environment, cost-cutting is a more common route to higher earnings. In 1984 Eastern Air Lines negotiated a pact with its employees, giving them 25% of the company's stock in exchange for $370 million in reduced labor charges. Other carriers, including Western, Piedmont and Republic, also gained important concessions from their employees.

Thanks to cheaper fuel, airlines still flying older jets are penalized less. That's why struggling carriers such as Republic have slowed the pace of replacing their fleets. But others—such as Pan Am, which worked out an attractive leasing arrangement with Airbus Industrie—are taking advantage of a soft market to modernize.

Long term, however, carrying freight seems to be a much better business than carrying people. Note that the 5 companies in this subgroup outshine the 14 airlines dramatically in long-term profitability. They fare better in almost every other category, too. What's more, the firms that haul packages instead of passengers required significantly less borrowed money. Their median debt/equity ratio is a mere 0.6, less than half that of the airlines.

The freight forwarders also are benefiting from the recovery—even though their median revenue growth is no better than that of the airlines. In profitability, however, Emery posted a 26.2% current return that almost matches its five-year average. But compare that with Federal Express, which fell far short of its impressive 37.7% average. Part of the problem: Federal is pouring money into its ZapMail document transmission service. Meanwhile, Tiger International is narrowing its losses.

For the moment, analysts expect that industry leaders such as Delta, American and UAL will post slight earnings gains in 1985. At the same time, the analysts see a future that is less bleak than the past has been for struggling carriers such as Pan Am, Eastern and Western. But all this assumes that the economy will continue to expand gradually. If that doesn't happen, hold on to your seats. As the low earnings-stability ratings indicate, this industry is unusually volatile.

Pay attention also to the Not Meaningful designations in this Yardstick. These crop up in the column that ranks earnings-per-share growth, and only 6 of the 19 firms in the Yardstick carry a figure for five-year growth. This is because of the industry's sorry record of losses. For FORBES to compute long-term earnings growth, a company must have steady profits on an annual basis between 1979 and 1983. Among the carriers, only Piedmont, USAir and Northwest pass that test. ■

Air transport

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Northwest Airlines	82/NA	6	3.6%	11.5%	0.1	2.3%	5	19.8%	15.2%	3	–22.7%	163.5%	low
AMR		7	2.9	23.7	1.0	4.8	10	10.8	16.6		NM	166.5	NM
UAL	89/ 74	8	0.3	16.5	0.8	2.4	12	9.5	23.2		NM	44.7	NM
Trans World Airlines		9	def	6.3	1.5	def	14	5.2	8.0		NM	NA	NM
Pan Am Corp	78/DD	10	def	def	2.6	def	9	11.7	0.6		NM	D-D	NM
Eastern Air Lines		11	def	def	7.3	def	11	10.2	8.6		NM	D-D	NM
Western Air Lines		12	def	def	5.1	def	13	6.0	5.7		NM	D-D	NM
Texas Air		13	def	NE	NE	def	1	58.9	–17.4		NM	D-D	NM
Republic Airlines		14	def	NE	8.4	def	2	38.2	6.9		NM	D-P	NM
Medians			1.6	0.8	1.3	def		13.6	15.9		NM	D-D	
Industry medians			2.9	6.3	1.0	def		13.0	15.5		NM	D-D	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

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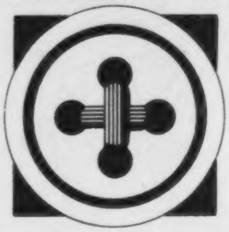
Sources: Media General Financial Services, Inc.; Forbes

APPAREL



Clothing manufacturers dropped a few stitches in 1984. Only 60% of the companies in this group beat their five-year profitability records. And unfortunately, the year ended a lot less stylishly than it began.

APPAREL MAKERS BEGAN 1984 decked out with double-digit gains in sales. But they ended the year looking considerably rumpled. Holiday retail sales were lower than expected, and, unfortunately, many stores had stockpiled fat inventories.

Still, the 12-month figures in this Yardstick reflect more good news than bad. That's because the downturn was deepest in the fourth quarter of 1984, a period the tables do not cover. In longer-term profitability, the industry ranks 20th among 42 industries in the Forbes Yardsticks in five-year median profitability. Quite an improvement from 1979, when this industry was close to the bottom.

The big jeansmakers continued to fade. The only two companies among the 14 in the clothing subgroup to report sales declines in the past 12 months were dungaree producers Levi Strauss and Blue Bell. Levi had a particularly bad year, with earnings per share off by over 50% for the 12-month period.

V.F. Corp., which makes the Lee brand, was an exception. It has aggressively introduced new products over the years, from "dress-up" jeans to fashionable sleepwear for women. Not coincidentally, V.F. has margins that are nearly triple the industry median, and it posted a return on equity of 30.9% for the past 12 months. There is also little debt on its balance sheet.

What's hurting the jeansmakers is contributing to gains by other manufacturers. Take Hartmarx, the men's clothing maker that changed its name from Hart Schaffner &

Apparel

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Clothing													
VF		1	28.0%	30.9%	0.1	10.8%	2	17.6%	7.3%	1	37.3%	7.6%	high
Melville	40/ 38	2	26.1	22.1	0.1	4.5	3	17.5	17.[illegible]	6	13.0	19.2	very high
Levi Strauss		3	24.1	8.7	0.2	7.1	6	9.1	–3.5	9	0.7	–50.1	very low
Warnaco		4	20.7	16.0	0.2	5.7	12	4.1	11.9	3	21.3	–1.5	very high
Palm Beach		5	18.1	16.1	0.8	2.9	4	15.3	1.5	11	–5.0	28.0	low
Oxford Industries		6	15.9	19.2	0.2	4.3	1	18.2	10.2	2	30.3	–10.7	high
Blue Bell		7	14.5	10.8	0.1	3.9	10	7.2	–4.4	12	–7.9	30.2	average
Interco	32/ 40	8	13.1	10.6	0.2	4.3	9	8.0	4.2	10	–1.7	21.5	very low
Hartmarx	44/ 63	9	12.5	15.2	0.4	3.9	5	10.3	12.7	4	16.7	20.7	very high
Cluett, Peabody		10	10.2	13.2	0.3	3.1	7	8.3	4.6	7	11.5	19.9	high

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Sources: Media General Financial Services, Inc.; Forbes

Marx in April. It posted its seventh consecutive record year of earnings and revenues in 1984. Why? The customers who fueled the jeans boom in the Sixties and Seventies have grown up, and they are wearing more costly, quality brand-name clothing—just what Hartmarx makes.

The number of professional men between 35 and 54, prime prospects for buying suits, will increase by 28% this decade. The same age group grew by only 4% in the 1970s. "The demographics that favored Levi then are in our favor in the 1980s," says Richard Hamilton, chief executive of Hartmarx. "These people have more money to spend, and it's coming out of Levi's hide and into ours."

Another beneficiary: Liz Claiborne, a company that doesn't make our list because its estimated $360 million sales last year fall below our threshold of $450 million in annual revenues. But Claiborne is the stellar performer in the apparel industry today. It dresses working women who have shed their jeans for moderately priced designer clothing to wear at the office. With no debt, its average return on equity over five years is more than two times that of our profit leader, V.F. Corp. A major reason for Claiborne's success is that 80% of its merchandise is imported from abroad, where it can be made more cheaply.

There was also considerable consolidation in the industry last year. Blue Bell and Puritan Fashions were taken private through leveraged buyouts. Phillips-Van Heusen is studying the possibility of a similar move. Jonathan Logan disappears from this year's table because it was acquired by United Merchants & Manufacturers, a textile manufacturer. Interco bought Abe Schrader Corp., a ladies' apparel maker. And Warnaco picked up Olga Co. to add to its own line of women's intimate apparel.

Most of these transactions were prompted by the fact that many apparel stocks underperformed the stock market averages during the past year, selling at or near book value. But some of these firms have hidden and understated assets, such as real estate or popular brand names, that don't show up on the books. Sharp investors and a company's own executives can see behind the numbers and often act accordingly.

With stock prices still down, more consolidation is likely. The fact that the industry probably won't see a quick recovery in 1985 might even spur such moves. "We are going through a very painful inventory correction, and that is clobbering apparel sales and earnings for most of these companies," says Jay Meltzer, a Goldman, Sachs analyst. "The first six months of 1985 will be pretty tough. I don't see anything spectacular for the new year." ■

Apparel

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Phillips-Van Heusen	**77/ 85**	11	9.7%	13.5%	0.2	3.4%	8	8.1%	14.9%	5	14.7%	27.1%	average
Manhattan Industries	**68/ 67**	12	7.3	16.1	0.7	2.7	11	4.7	20.6		NM	51.3	NM
Kellwood	**66/ 71**	13	6.2	15.7	1.1	2.5	13	3.1	8.2	8	7.5	9.3	very low
United Merchants	**60E/NA**	14	def	9.6	0.8	2.0	14	–5.2	28.0		NM	D-P	NM
Medians			**13.8**	**15.5**	**0.2**	**3.9**		**8.2**	**9.2**		**9.5**	**19.9**	
Shoes													
NIKE	**88/ 88**	1	83.2%	10.0%	0.0	4.4%	1	65.5%	6.1%	1	69.6%	–56.1%	very high
Melville	**34/ 34**	2	26.1	22.1	0.1	4.5	2	17.5	17.8	4	13.0	19.2	very high
United States Shoe	**49/ 52**	3	21.3	16.0	0.1	5.0	3	12.0	16.5	2	20.0	–5.9	very high
Brown Group	**30E/NA**	4	17.6	17.1	0.2	4.5	4	8.4	6.1	3	15.4	6.3	very high
Genesco	**32/ 28**	5	def	52.4	1.1	2.5	5	–10.6	–5.2		NM	D-P	NM
Medians			**21.3**	**17.1**	**0.1**	**4.5**		**12.0**	**6.1**		**15.4**	**0.2**	
Industry medians			**15.2**	**15.9**	**0.2**	**4.1**		**8.4**	**7.8**		**12.3**	**14.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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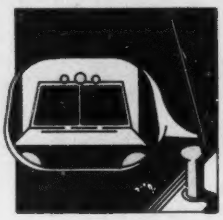
Sources: *Media General Financial Services, Inc.; Forbes*

AUTOMOBILES AND TRUCKS



For this industry, the recovery began in 1983. Things got even better in 1984. But can there be three good years in a row?

"AN AUTOMOBILE IS ONCE AGAIN becoming a fun thing—fun to drive and fun to own," says Harvey Lamm, chief executive of chart-topping Subaru of America. "For years we had to worry about nothing but fuel economy, emission standards and safety requirements. The concern was just putting something on the road. The sexy and sporty cars were gone. Now they're coming back, bigger and better than ever. It could bring a whole new era to the industry."

Whether this is idle, euphoric talk during a major recovery is open to question. It is clear, though, that the auto industry is coming back strong from the worst sales slump since the 1930s. Despite a walkout affecting production at General Motors, U.S. output of autos last year was expected to hit 7.9 million, 1 million above 1983's level.

The Forbes Yardsticks tell the story best. All but two of the nine companies in this group are outperforming their five-year return-on-equity averages. This reversal of fortunes is most evident for Detroit's Big Three. For the latest 12 months, General Motors recorded a return of 24%, three times its five-year average. Ford's 12-month return hit 39.3%, vs. a mere 1.3% over the five previous years, and Chrysler's latest return on equity of 85.1% shines particularly bright against its five-year deficit. Of course, that return is unusually high because of Chrysler's severely eroded equity base following five years of losses.

Rising consumer confidence, coupled with pent-up demand, put customers in showrooms throughout the year. "People overcame sticker shock and became more willing to look at cars as investments," says Arthur Davis, an analyst with Prescott, Ball & Turben. "Detroit could have sold 200,000 to 300,000 more cars if not for a shortage of inventory." Mighty GM, in the midst of a huge restructuring of product and plant, lost significant production during the year. By October GM's market share fell to 55%, from 61.6% in May. Slowed down by a strike, third-quarter output was only 925,000 cars, a 27% drop from first-quarter production.

Obviously, some of Detroit's overall gains in the past year could be traced to the "voluntary" limits placed on Japan's carmakers, which restrict imports to 1.85 million vehicles for the year ending in March. Those restrictions allowed Detroit comfortable profit margins on new product and permitted many Japanese car dealers to demand

Automobiles and trucks

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Subaru of America		1	59.8%	39.0%	0.2	4.7%	1	19.8%	8.1%	1	49.0%	21.0%	very high
PACCAR		2	15.1	18.0	0.0	2.7	7	–4.8	75.0	2	–19.6	249.7	high
General Motors		3	8.0	24.0	0.2	5.0	3	1.8	23.9		NM	91.0	NM
Fruehauf	41/ 14	4	4.9	17.0	1.0	0.4	6	–3.0	40.7		NM	D-P	NM
Ford Motor		5	1.3	39.3	0.4	4.2	4	–0.7	24.6		NM	244.5	NM
Mack Trucks		6	0.4	9.4	0.3	def	8	–7.0	61.2		NM	D-P	NM
Chrysler		7	def	85.1	0.8	2.3	5	–1.5	54.2		NM	351.2	NM
Intl Harvester	62/PD	8	def	NE	5.3	def	9	–13.3	–2.3		NM	D-D	NM
American Motors		9	def	10.2	3.1	def	2	2.7	25.4		NM	D-P	NM
Industry medians			**1.3**	**18.0**	**0.4**	**2.3**		**–1.5**	**25.4**		**NM**	**167.8**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

premiums above sticker prices.

These limitations have had little, if any, effect on Subaru of America, the U.S. distributor of Fuji Heavy Industries' Subaru vehicles, which again topped the chart by averaging a 59.8% return on equity over five years. The fact that Subaru isn't a manufacturer makes comparisons with U.S. firms misleading. But the stability of its growth is nonetheless remarkable.

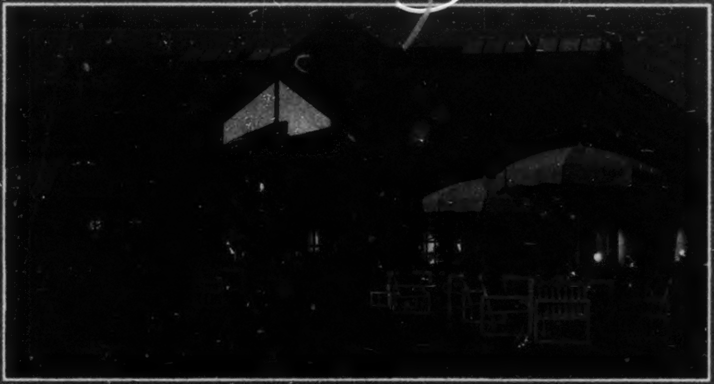
Truck manufacturers also came back with a vengeance last year. U.S. production of motor trucks was expected to reach 3.2 million, the strongest output since 1978. In this part of the industry, PACCAR, Inc. still reigns supreme. Its five-year return of 15.1% is more than three times the profitability of rival Fruehauf.

Debt-ridden International Harvester, the weakest of the truck builders, just finished its fifth year in the red. But the company sold its farm equipment business to Tenneco late last year and managed to turn a profit in its October quarter. Chief Executive David Lennox is now pinning his hopes on truck sales, which jumped 49% in fiscal 1984.

In Detroit, one of the boldest moves came when General Motors paid $2.5 billion to buy Electronic Data Systems Corp. Even though EDS' annual sales of $800 million add little to GM's estimated $87 billion in 1984 sales, the acquisition put GM into the information-processing business and could make the company an even tougher competitor in the future.

This year the Japanese import restrictions are set to expire at the end of March. Some analysts believe they will not be renewed despite Lee Iacocca's vigorous public lobbying effort to keep them intact. Nonetheless, Japanese carmakers are likely to exercise self-restraint rather than risk additional protectionist pressures. Davis figures Japan will ship no more than a 10% increase in 1985, allowing imports to raise their market share to 25.2%, from 23.5%—still well below their peak of 27.9% in 1982. Domestic production, he thinks, will rise 200,000, to 8.1 million.

Finally, note the string of Not Meaningful designations in this Yardstick. In order to calculate long-term earnings growth rates, FORBES requires five consecutive years of profitable annual performance. Only Subaru and PACCAR have met that test since 1979, which is why there is no earnings growth median for the industry. Subaru and PACCAR, of course, deserve special credit for remaining consistently profitable. ■



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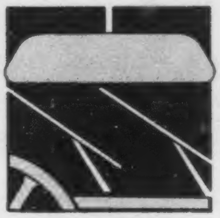
AUTOMOTIVE SUPPLIERS



It takes but the briefest of looks to see that these companies are making good money again. But how long will the boom times last? And will today's profits help soften the next fall?

FOR MOST OF THE 35 companies in this Yardstick, 1984 was a fast-paced year. Original equipment manufacturers—firms that sell directly to Detroit—were struggling to keep up with demand. Companies that build mostly replacement parts benefited from the relatively high age of cars on today's highways.

All of this seems particularly pleasant compared with unusually bad times in the not-too-distant past. Since the late Seventies parts builders have had mind-boggling problems: Many of the nation's automakers reduced production capacity and are operating at minimal, just-in-time inventory levels. In addition, manufacturers have been unusually tough about prices, often implementing unilateral cuts. All the while, technology is changing fast, and competition from foreign parts manufacturers continues to grow.

That's what makes the current good numbers so impressive. During the latest 12 months the median return on equity for these 35 auto suppliers was 16%, nearly six percentage points above the group's five-year average. Profitability gains were fairly widespread: Latest 12-month returns were higher than five-year averages for 23 of the 35 firms.

Only two companies do not show a double-digit increase in sales over the last 12 months: Johnson Controls and Champion Spark Plug. The best hike in sales, a gain of

Automotive suppliers

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Parts makers													
Allied Corp	23/ 16	1	35.4%	2.7%	0.4	0.6%	1	21.5%	19.3%		NM	–78.2%	NM
Lear Siegler	30/ 33	2	22.9	17.0	0.6	4.4	13	4.6	42.7	10	1.2%	25.1	very low
Snap-On Tools		3	22.4	22.3	0.1	9.5	7	7.3	18.1	8	2.3	51.1	low
Purolator Courier	26/ 22	4	20.4	10.0	0.2	4.2	4	13.8	14.0	1	17.7	–39.6	high
Genuine Parts	67/ 82	5	20.4	18.3	0.0	5.0	5	12.6	11.7	3	8.7	13.2	high
Rockwell Intl	14/ 7	6	18.7	21.2	0.1	4.8	8	6.9	15.1	2	12.0	29.0	high
TRW	29/ 27	7	18.4	16.3	0.2	3.7	9	6.7	10.3	12	–0.5	40.6	very low
Federal-Mogul	79/ 98	8	16.2	15.6	0.4	5.2	10	5.3	24.6	13	–3.0	26.0	low
Johnson Controls	37/ 46	9	15.7	16.6	0.3	4.5	3	14.4	7.7	7	3.2	12.9	low
PPG Industries	38/ 33	10	14.4	16.5	0.3	6.3	11	4.9	16.4	6	3.2	47.1	very low
Borg-Warner	29/ 38	11	14.1	14.0	0.2	5.2	6	7.8	14.6	4	5.4	16.9	average
Ex-Cell-O	29/ 17	12	14.0	11.8	0.1	5.2	12	4.8	15.0	5	3.4	5.9	low
Hoover Universal	35/ 31	13	13.4	18.0	0.5	4.2	14	3.8	10.2	11	–0.1	17.0	very low
Echlin		14	13.0	18.9	0.3	5.4	2	16.4	22.1	9	1.5	41.3	very low
Dana	81/ 97	15	12.1	16.0	0.3	3.8	17	2.6	33.2	15	–14.3	157.3	average

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

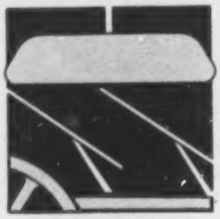
Sources: Media General Financial Services, Inc.; Forbes

more than 50%, comes at Allen Group, a leading manufacturer of diagnostic equipment and parts. Sales also increased by 30% or more at Arvin Industries, Cummins Engine, Eagle-Picher Industries, Eaton, Lear Siegler, Dana, Libbey-Owens-Ford and Sheller-Globe.

Many of these firms have bolstered finances, too. A decade ago the median debt-to-equity ratio for this industry was 0.5, but now it is down to 0.3. Unfortunately, however, improvement is hard to see in the five-year figures. Although the average automobile costs some 43% more than it did in 1980, the median sales increase for these companies since then is only 3.8%. In terms of earnings, the comparison is even more dismal, with a five-year decrease of 11.7%.

This year Allied Corp. beat out Lear Siegler for the top rank in terms of five-year return on equity. Allied has an impressive 35.4% return, but note that auto parts contribute a much bigger share of profits at Lear. Close behind Lear is Snap-On-Tools, with a 22.4% average five-year return. Unlike the two top performers, which derive 30% or less of their sales in the automotive area, Snap-On's entire existence is tied to the automobile.

Times were good last year even for companies caught in transition. What with smaller engines, electronic ignitions and fuel injection, the demand for spark plugs has slackened. But Champion Spark Plug still managed to increase sales by 8.8% and profits by 47.3% over the latest 12 months. Thanks to these gains, the company even managed to beat its five-year profitability average.



Then there's A.O. Smith, which trails the Yardstick in terms of five-year profitability. It has lost business as automakers phased out separate body frames. But cost-cutting, diversification and a temporary resurgence in demand for body-on-frame vehicles helped the firm post a sharp jump in earnings last year.

Tire and rubber companies have also improved on their long-term results, but they still have problems. While declining prices of petroleum-based raw materials and relatively stable labor costs have brought some relief, hard-nosed purchasing agents in Detroit have allowed original equipment manufacturers few, if any, price increases in the last two model years. Meanwhile, foreign tiremakers continue to gain market share.

Cooper Tire, which leads the subgroup in terms of long-term profitability, shows an average return on equity of 21% over the last half-decade. Armstrong Rubber and GenCorp posted average returns of under 7% for the period. Uniroyal, though at the bottom of the list, is looking healthier than it has in a long time. ■

Automotive suppliers

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Colt Industries	30/ 39	16	11.2%	28.0%	0.3	6.3%	28	–4.7%	22.3%		NM	72.1%	NM
Eagle-Picher	32/ 45	17	9.8	12.0	0.3	2.9	24	–0.3	32.1	16	–14.9%	121.8	high
Champion Spark	90/ 81	18	9.3	9.6	0.1	3.5	21	1.2	8.8	17	–16.0	47.3	high
Barnes Group		19	8.8	19.4	0.4	def	16	3.2	10.1		NM	D-P	NM
Arvin Industries	56/ 71	20	8.3	15.7	0.4	3.0	15	3.8	33.3	14	–9.1	114.1	low
Dayco	27/ 30	21	7.0	12.2	1.2	0.6	20	1.2	28.5	19	–37.6	500.0+	high
Sheller-Globe	83/ 87	22	7.0	17.9	0.6	2.7	26	–1.8	34.3		NM	93.3	NM
Libbey-Owens-Ford	40E/NA	23	6.8	16.7	0.3	3.5	23	0.1	45.0	18	–21.9	217.5	average
Cummins Engine		24	6.8	35.7	0.6	0.3	22	0.3	49.2		NM	D-P	NM
Allen Group		25	6.7	11.8	0.4	1.8	19	1.6	52.8		NM	D-P	NM
Eaton	46/ 74	26	6.5	23.5	0.4	3.5	27	–3.3	32.9		NM	D-P	NM
A O Smith	75/127	27	3.1	8.8	0.4	1.6	25	–0.5	15.5		NM	331.6	NM
NI Industries	39/ 53		NA	36.0	0.9	5.3	18	1.8	13.9		NM	46.3	NM
Medians			**13.0**	**16.6**	**0.3**	**4.0**		**3.8**	**18.7**		**–11.7**	**43.8**	
Tire and rubber													
Cooper Tire		1	21.0%	16.3%	0.2	4.7%	1	13.0%	19.3%	1	31.1%	–49.0%	high
Goodyear Tire	74/ 70	2	9.7	13.7	0.2	2.8	3	4.5	20.1	2	2.8	57.6	very low
Armstrong Rubber		3	6.7	13.6	0.3	3.0	2	11.3	11.9		NM	14.5	NM
GenCorp	45/ 31	4	6.5	6.5	0.3	3.1	5	–1.1	11.8	3	–14.2	57.9	low
B F Goodrich	43/ 65	5	4.5	6.3	0.6	0.6	4	3.2	11.4		NM	D-P	NM
Firestone Tire	73/ 89	6	2.9	8.1	0.3	2.6	6	–6.1	16.6		NM	20.3	NM
Uniroyal	45/ 48	7	0.2	13.5	0.5	2.6	7	–6.3	12.2		NM	194.0	NM
Medians			**6.5**	**13.5**	**0.3**	**2.8**		**3.2**	**12.2**		**NM**	**39.0**	
Industry medians			**10.5**	**16.0**	**0.3**	**3.5**		**3.8**	**16.6**		**–14.3**	**43.8**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

BANKS

Bad foreign debt hurt profits at the money center banks, and energy losses clobbered some of the regionals. But bankers who could avoid these problems often managed to post impressive gains.

LAST SEPTEMBER Todd Conover, Comptroller of the Currency, told the House Banking Committee that the federal government wouldn't allow any of the nation's 11 largest banks to fail. For smaller banks, of course, the story was different: When Conover spoke, 59 of them had already gone under in 1984—more than in any other year since the Depression.

"It was a time of facing reality for bankers," explains James Ehlen, an analyst with Goldman, Sachs. Even if the regulators won't allow any big banks to fail, for example, they are exacting a stiff price to keep them in business. Nearly all of Continental's directors were forced out. Bank of America and First Chicago are scrambling to meet tightened capital requirements.

Dwindling returns on equity at these three money center banks helped drag down the entire industry. None of these big-city lenders matched five-year profitability figures. Over the most recent 12 months, for example, their median return on equity was only 12%, vs. 13.5% for all 71 banks on the Forbes Yardstick.

This helped pull the entire sector down. In these difficult times, the only real stars were a handful of regional banks in the North and Southeast. They got a boost from strong local economies and minimal foreign exposure.

Among the big banks, Bankers Trust held on to its

Banks

Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Multinational banks												
Bankers Trust New York	1	18.4%	17.1%	0.2	6.7%	8	16.5%	17.2%	1	19.1%	17.2%	high
J P Morgan	2	16.5	15.8	0.2	8.0	2	20.3	4.1	5	10.4	7.7	very high
Citicorp	3	15.7	15.2	2.1	5.0	4	18.0	15.9	4	10.5	–6.8	high
Bank of Boston	4	15.4	12.0	0.4	5.2	3	18.5	16.5	2	15.8	–16.3	very high
Chemical New York	5	15.1	14.5	0.3	6.2	7	16.6	15.4	3	14.7	9.5	very high
Irving Bank	6	15.0	12.5	0.4	5.0	5	17.4	10.6	7	8.3	9.2	average
Manufacturers Hanover	7	14.6	12.0	1.0	5.1	1	22.3	17.3	8	8.0	–14.2	very high
Chase Manhattan	8	14.4	10.8	0.5	5.0	9	15.6	10.1	6	9.5	–14.1	average
BankAmerica	9	13.4	6.4	0.5	2.9	11	14.9	4.6	10	–10.7	–18.3	average
Continental Illinois	10	11.9	def	0.7	2.3	6	16.7	–4.9	11	–15.1	P-D	low
First Chicago	11	9.6	3.3	0.3	5.0	10	15.4	14.9	9	5.9	–70.1	low
Medians		15.0	12.0	0.4	5.0		16.7	14.9		9.5	–14.1	

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Sources: Media General Financial Services, Inc.; Forbes

number one slot in profitability. Over the past several years, Bankers has changed its strategy, dropping full-service operations to specialize in serving big commercial borrowers. The success is remarkable. Just four years ago Bankers ranked eighth among all New York banks on the Forbes profitability Yardstick.

Foreign loans, however, caused most of this subgroup's trouble. Whenever bankers weren't hammering out repayment schedules with officials of South American governments, they seemed to be trying to convince analysts and reporters that these problems really could be solved. At J.P. Morgan, for example, foreign exchange trading continues to be profitable and costs are well under control. But none of this could offset $433 million in nonaccrual loans outstanding in Argentina. Even Citibank's $900 million five-nation "default insurance" policy raised more questions than it answered.

Bankers in the Southeast could be particularly smug. There are 11 corporations in this subgroup. Thanks to strong local loan demand, nine of them have outperformed their five-year profitability averages. Even one of the two laggards shows promise. Sun Banks, which handed in a 12.7% return on equity last year, is completing a well-regarded merger.

It was a good year in the Northeast, too. The 18 firms in this subgroup topped the industry median in profitability for the most recent 12 months with a return on equity of 15.5%. They also beat their five-year average, though not as soundly as their southern counterparts.

Special strategies help some banks in this region. Take Republic New York, for example, which stays on top because of its five-year record of 23.6%, even though last

Banks

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Northeast												
Republic New York	1	23.6%	15.4%	0.5	8.6%	1	34.6%	4.6%	2	19.5%	–0.5%	high
Midlantic Banks	2	21.6	18.0	0.3	9.5	5	24.7	42.3	4	17.9	0.0	very high
State Street Boston	3	19.3	19.6	0.3	8.7	11	21.1	4.1	1	40.5	–8.6	high
Fleet Financial Group	4	18.7	18.5	0.9	9.1	13	18.4	30.0	5	17.0	10.4	very high
Bank of New England	5	18.1	15.4	0.1	5.9	2	33.4	27.2	14	11.2	4.8	high
PNC Financial	6	16.5	17.3	0.5	9.6	10	21.2	14.6	6	15.5	9.8	very high
Norstar Bancorp	7	16.2	17.1	0.2	12.4	3	29.6	51.0	15	11.1	1.5	very high
CBT	8	16.0	14.1	0.2	6.6	9	22.2	32.7	9	14.2	0.6	high
First Natl State Bancorp	9	15.2	27.6	0.3	9.0	8	22.3	9.2	7	15.1	41.3	very high
BayBanks	10	15.1	13.5	0.1	6.9	12	18.6	20.4	12	11.8	3.2	high
Bank of New York	11	15.0	16.8	0.1	6.8	7	22.8	11.9	11	13.0	10.2	very high
CoreStates Financial	12	14.8	18.1	0.3	9.5	17	14.2	27.6	10	14.0	9.4	high
Maryland National	13	14.0	13.4	0.5	7.0	15	16.5	28.4	16	10.8	16.8	high
Mellon Bank	14	13.9	11.5	0.4	7.3	4	26.4	25.3	13	11.7	–13.2	very high
Fidelcor	15	12.8	15.6	0.4	8.9	16	16.3	33.2		NM	–17.3	NM
Shawmut	16	12.0	13.8	0.3	5.6	6	24.0	12.1	8	15.1	38.7	high
Marine Midland Banks	17	10.5	10.2	0.5	4.7	14	17.7	18.8	3	18.1	–0.6	very high
First Pennsylvania	18	def	def	0.6	def	18	–8.2	4.5		NM	D-D	NM
Medians		**15.1**	**15.5**	**0.3**	**7.9**		**21.7**	**22.9**		**14.1**	**2.4**	
Midwest												
Banc One	1	20.1%	19.4%	0.2	11.2%	1	33.6%	41.0%	1	12.9%	18.1%	very high
Mercantile Bancorp	2	15.7	13.3	0.4	7.9	11	14.6	7.9	3	8.1	7.5	high
Huntington Bancshares	3	14.4	15.4	0.2	4.4	2	25.2	14.7	5	3.0	43.6	low
First Bank System	4	14.4	11.7	0.4	6.7	4	20.7	20.2	4	5.6	–8.4	high
Norwest	5	13.3	5.1	1.3	5.4	3	21.8	12.9	11	–1.0	–48.6	very low
First Wisconsin	6	13.3	10.6	0.2	6.3	14	10.1	9.8	2	11.3	–7.6	high
National City	7	12.9	14.0	0.0	7.4	7	18.2	6.3	9	0.5	26.1	very low
Society	8	12.3	14.7	0.2	6.9	5	19.5	26.6	7	1.7	9.9	low
NBD Bancorp	9	11.7	11.0	0.1	7.1	10	15.5	12.2	6	2.8	11.3	low
Comerica	10	11.5	12.4	0.2	6.2	6	18.6	28.8	10	–0.9	8.5	very low
Centerre Bancorp	11	11.5	7.1	0.3	4.2	8	17.5	6.0	13	–5.7	0.0	low
AmeriTrust	12	10.5	10.5	0.0	8.9	15	8.6	10.8	8	0.5	14.3	very low
Manufacturers National	13	10.1	12.2	0.1	6.3	13	13.5	11.1	14	–6.3	6.2	very low
Northern Trust	14	9.9	5.4	0.3	2.7	9	15.7	6.1	12	–3.0	–13.7	very low
Michigan National	15	8.1	def	0.3	def	12	14.3	10.1		NM	P-D	NM
Medians		**12.3**	**11.7**	**0.2**	**6.3**		**17.5**	**11.1**		**0.5**	**7.5**	

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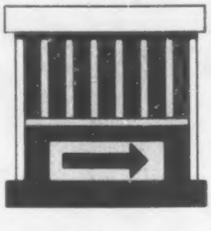
Sources: Media General Financial Services, Inc.; Forbes

year's profitability was far less impressive. The problem? Its hallmark is aggressive trading, which makes the bank thrive during volatile times and languish when markets aren't in turmoil.

In the Midwest, by contrast, the mood among bankers was considerably darker. Only one-third of these 15 institutions outperformed five-year returns on equity, which led this subgroup to post the poorest performance of all. Michigan National earned a return on equity of 8.2% in 1983. But the firm, hit hard by the collapse of Penn Square Bank, lost money in the most recent 12 months.

In the West long-term performance still benefits from the late-Seventies boom. At that time, low-cost deposits yielded profits that were not sustainable after deregulation. Over the past 12 months, the subgroup fell two percentage points below its five-year profitability average. Only Seattle-based Rainier managed to beat its long-term return on equity.



Top-ranked Security Pacific was hurt by its agricultural loans, as well as by perhaps $30 million in bad loans to Argentina. In Arizona, second-ranked Valley National boosted its loan portfolio 18% by the first half of last year. But problem loans to farmers held profitability down.

When the oil and gas bubble burst, profitability at the banks in the Southwest also deflated. None of the seven banks in this subgroup matched five-year average profitability. Even Allied Bancshares, with a 28.7% five-year profitability that is the highest on the Forbes Yardstick, was affected. Energy loans account for 65% of its nonperforming assets. ■

Banks

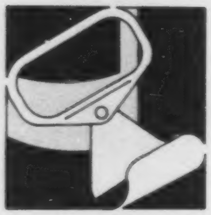
Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Southeast												
Trust Co of Georgia	1	23.5%	26.1%	0.1	13.4%	6	21.0%	15.9%	2	27.0%	27.8%	very high
Barnett Banks of Fla	2	18.4	20.2	0.3	8.3	1	31.6	34.3	4	17.7	18.0	very high
First Union	3	18.0	19.0	0.3	8.9	4	25.4	22.7	9	11.8	15.7	high
First Atlanta	4	17.3	19.6	0.3	9.6	8	18.3	30.6	3	25.7	17.7	very high
Wachovia	5	17.0	19.3	0.0	10.8	7	20.6	13.8	6	15.1	22.8	high
NCNB	6	16.9	18.4	0.4	7.4	3	25.4	30.9	10	11.3	8.2	very high
United Virginia Bankshrs	7	16.8	16.9	0.2	9.1	10	17.2	16.3	7	14.9	6.9	very high
Citizens & Southern Ga	8	16.0	18.0	0.3	8.5	11	16.6	17.4	1	36.3	19.1	very high
Sovran Financial	9	15.8	17.2	0.2	8.0	9	17.3	9.6	5	16.5‡	5.8	high
Southeast Banking	10	15.5	12.3	0.3	6.3	5	21.6	18.3	11	5.8	4.1	average
Sun Banks	11	14.8	12.7	0.3	7.8	2	27.8	60.3	8	12.5	8.9	very high
Medians		**16.9**	**18.4**	**0.3**	**8.5**		**21.0**	**18.3**		**15.1**	**15.7**	
Southwest												
Allied Bancshares	1	28.7%	23.9%	0.2	12.6%	1	45.4%	34.4%	1	23.7%	11.2%	very high
Texas Commerce	2	21.6	17.9	0.1	10.6	3	27.4	19.8	2	20.0	2.6	very high
MCorp	3	20.3	15.4	0.3	9.0	2	32.7	23.1	3	13.9	–14.3	very high
RepublicBank	4	17.9	11.6	0.4	7.5	7	24.1	21.1	4	12.4	–25.4	high
First City Bancorp	5	16.6	5.2	0.1	3.1	4	26.6	14.9	6	–5.5	–53.9	very low
Texas American Bancshrs	6	15.9	12.0	0.4	6.6	6	26.1	16.4	5	7.5	–2.7	average
InterFirst	7	13.8	10.3	0.4	def	5	26.4	12.2		NM	D-P	NM
Medians		**17.9**	**12.0**	**0.3**	**7.5**		**26.6**	**19.8**		**12.4**	**–8.5**	
West												
Security Pacific	1	17.7%	15.8%	0.9	6.1%	1	20.8%	16.5%	1	10.5%	6.1%	very high
Valley National	2	16.6	12.6	0.1	5.6	2	19.1	14.6	6	1.1	12.8	very low
First Interstate Bancorp	3	16.3	13.5	0.7	5.7	4	17.9	12.6	2	4.1	7.3	average
U S Bancorp	4	15.7	11.6	0.4	8.0	7	15.6	12.8	5	2.2	14.1	low
First Security	5	14.5	2.6	0.5	4.1	9	13.9	9.5	7	–2.6	–82.3	very low
Wells Fargo	6	14.3	12.5	1.1	5.2	6	16.0	9.5	4	3.6	11.1	high
Rainier Bancorp	7	14.0	15.1	0.2	6.8	8	15.4	15.1	3	3.6	34.1	average
California First Bank	8	11.1	8.3	0.1	3.9	5	16.1	9.5	8	–14.3	–0.5	average
Crocker National	9	10.6	def	0.2	def	3	19.0	2.2		NM	P-D	NM
Medians		**14.5**	**12.5**	**0.4**	**5.6**		**16.1**	**12.6**		**2.2**	**7.3**	
Industry medians		**15.1**	**13.5**	**0.3**	**6.8**		**18.6**	**15.1**		**10.5**	**6.2**	
All-industry medians		**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

BEVERAGES



Americans are growing older and worrying about their weight. Good news for the makers of soft drinks. But maybe the folks who make the harder stuff ought to worry.

THE GRAYING OF AMERICA is a good news/bad news joke for the beverage industry.

It is good news for the soft drink producers. Worried about their weight, Americans are buying diet drinks in record numbers. When it comes to soda pop, for example, sugar-free products now account for 23% of all sales, and that percentage is increasing. So are soft drink sales, which are currently growing faster than their five-year average.

Now for the bad news, which saddens the makers of beer, wine and spirits. Sure, they faced flat revenues in 1982 and 1983. But demand actually fell during the first half of last year. The long-term trend is even grimmer. Twelve-month sales of alcoholic beverages are 45% below the group's five-year average.

These shifting fortunes stem from the same force: changing demographics. As people grow older, they drink less alcohol, and Americans are growing older. The nation's median age was 30 in 1980. It is now 31 and will

Beverages

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Alcoholic beverages													
G Heileman	89/ 95	1	31.9%	21.3%	0.4	5.0%	1	24.6%	8.0%	2	23.0%	–8.6%	very high
Brown-Forman	78/ 90	2	23.4	14.4	0.5	8.5	3	18.5	54.0	1	26.4	–23.5	very high
Anheuser-Busch	81/ 92	3	20.8	20.4	0.5	5.8	2	20.6	11.7	3	22.0	14.1	very high
McKesson	24/ 33	4	15.8	12.6	0.3	1.6	5	4.8	14.0	6	–3.2	–0.3	low
Seagram		5	14.0	13.9	0.3	17.8	6	2.8	3.5	4	18.3	52.1	high
Adolph Coors	85/ 96	6	9.1	5.9	0.0	8.0	4	10.7	5.6	5	1.9	–39.7	very low
Pabst Brewing			NA	def	2.2	0.5		NA	0.5		NA	NA	NA
Medians			**18.3**	**13.9**	**0.4**	**5.8**		**14.6**	**8.0**		**18.3**	**–4.5**	
Soft drinks													
MEI	81/ 87	1	28.9%	25.4%	1.0	6.2%	2	25.1%	19.4%	3	24.5%	15.5%	very high
General Cinema	56/ 60	2	28.9	87.8	0.5	10.6	4	9.6	3.7	1	34.6	–25.4	high
Allegheny Beverage	31/ 37	3	27.1	17.5	3.0	2.1	1	41.7	23.3	2	26.3	–4.0	very high
Coca-Cola	68/ 80	4	22.4	21.3	0.2	8.2	5	8.8	5.8	4	6.2	14.5	very high
PepsiCo	37/ 19	5	18.9	11.2	0.5	3.6	3	13.3	17.9	5	2.6	19.8	low
Medians			**27.1**	**21.3**	**0.5**	**6.2**		**13.3**	**17.9**		**24.5**	**14.5**	
Industry medians			**22.4**	**16.0**	**0.5**	**6.0**		**13.3**	**9.9**		**20.2**	**–0.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

BROADCASTING

The networks staged an impressive comeback in 1984. And local stations continued to be highly profitable. But the situation was embarrassingly different in cable.

LAST YEAR at this time, FORBES asked the question, "Have the networks hit bottom?" The answer was clearly yes. American Broadcasting Cos. picked up two percentage points, boosting its 12-month return on equity to 15.8%. RCA made a similar two-percentage-point improvement over 1983. And CBS picked up more than five percentage points, boosting its profitability to 16.5%.

This good news stems from strong demand for high-priced television advertising time. Despite the worries of industry analysts, the much-feared attack of cable on network profits has simply not developed. Cable may have brought the networks' percentage of prime-time viewers down to about 75% from 90% five years ago, but few advertisers take cable seriously yet. They still clamor to buy time on the networks.

Of the three networks only CBS managed to beat its long-term figures, with a 12-month return on equity of 16.5%, compared with 15.3% over the last five years. ABC saw its 12-month return on equity drop to 15.8% from a five-year average of 18.5%, and RCA slid marginally from a 10.8% five-year average to a 10.5% return last year.

Capital Cities Communications and Cox Communications continued to prove that owning television stations can be even more lucrative than broadcasting to them. Returns on sales of 15% for Capital Cities and 12.7% for Cox tower above any others on the broadcasting list. That makes these firms number one and number two in profit margin. Cox' achievement was all the more impressive in light of the fact that 55% of its sales came from its significantly less profitable cable operations.

Bringing up the rear are the two companies in the cable business. Time Inc.'s Home Box Office has faced hard times recently as programming expenses have outstripped the growth of its subscriber base. Storer Communications, the only firm on the list to show a loss last year, has also had difficulty keeping up with expenses. In its case, depreciation on its installed base outstripped earnings.

One worry ahead: what booming sales of videocassette recorders will do to TV ratings. Despite that cloud, broadcasting is still a wonderful business. In terms of long-term profitability, this industry ranks tenth among the 42 groups in this issue. ■

Broadcasting

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Capital Cities	39/ 54	1	22.7%	21.1%	0.3	15.0%	4	16.2%	22.4%	1	17.0%	25.0%	very high
Cox Comm		2	20.1	16.9	0.4	12.7	2	22.5	21.3	2	15.5	19.7	very high
Amer Broadcasting	88/105	3	18.5	15.8	0.1	5.4	5	10.2	29.5	3	1.3	27.4	low
CBS	52/ 70	4	15.3	16.5	0.2	4.2	6	5.6	15.9	4	–7.0	56.8	average
RCA	28/ 33	5	10.8	10.5	0.7	2.7	7	5.4	10.9		NM	29.8	NM
Storer Comm		6	8.4	def	2.3	def	1	26.9	17.3		NM	D-D	NM
Time Inc	40/ 62		NA	23.0	0.5	4.3	3	17.0‡	13.6		NA	76.6	NA
Medians			**16.9**	**16.5**	**0.4**	**4.3**		**16.2**	**17.3**		**–7.0**	**27.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

BUILDERS

Marketing costs are beginning to squeeze the earnings of the nation's home builders. And that throws a monkey wrench into what should have been a major improvement in the housing cycle.

HOUSING CYCLES AREN'T what they used to be. Sure, new home construction increased from 1983, which was an unexpectedly good year. Interest rates are down. Pent-up demand, created by the recession in 1981 and 1982, is still fueling the industry.

All this sounds great, and it explains why sales of new houses last year were eight times the level of five years ago. But home builders managed only to equal their five-year return on equity, even though they did reduce debt. While median revenues at the eight firms in the residential construction subgroup are up by 16.1%, earnings are down slightly.

Commercial builders, unfortunately, fared far worse. Over the past five years the 13 firms in this subgroup have been far more profitable than their residential counterparts. But that certainly wasn't true in 1984. The median return on equity at the big contracting firms was barely half their five-year average—a sorry 9.3%.

A closer look at the Yardstick reveals that times are unusually tough for these companies. While most of the 1,000 rated in this issue posted revenue gains of more than 10% last year, volume at commercial builders was down by nearly 6%. The earnings decline was even steeper: more than 25%.

The strong dollar is a major factor in the decline. Nearly all of these firms do substantial work abroad, and pay-

Builders

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Commercial													
Turner Construction		1	25.2%	24.2%	0.1	0.7%	6	14.8%	–9.9%	1	28.8%	3.5%	very high
Foster Wheeler	50/ 9	2	21.1	9.1	0.1	2.9	13	0.5	–13.7	9	2.0	–33.1	very low
Blount	76/ 82	3	21.0	23.5	0.3	2.7	8	13.7	9.2	4	13.2	32.1	average
CBI Industries		4	19.3	9.3	0.0	5.0	7	14.1	–26.9	7	4.2	–25.7	very low
Fluor	77/ 76	5	19.2	def	0.4	0.5	3	17.0	–18.7	10	–19.3	P-D	low
Centex	37/ 11	6	18.7	12.2	0.2	4.3	11	3.9	17.1	8	3.9	1.2	very low
ENSERCH	23/ 12	7	18.2	6.5	0.8	2.2	4	16.9	–0.8	6	5.2	–30.5	very low
Fischbach		8	16.8	7.6	0.3	2.0	5	15.7	–19.9	3	18.1	–52.6	very high
Dynalectron	56/ 32	9	16.8	9.6	0.2	1.9	9	11.9	20.6		NM	–8.4	NM
Morrison-Knudsen		10	16.6	13.0	0.2	1.9	1	19.9	–5.8	5	9.4	7.5	very high
Signal Cos	44/ 39	11	12.6	10.4	0.1	1.7	10	10.1	7.0	11	–20.6	202.5	high
Perini		12	12.6	7.8	0.2	1.1	2	17.5	–6.1	2	28.4	–42.0	average
Dravo	44/ DD	13	3.9	def	0.3	def	12	1.8	–1.3		NM	D-D	NM
Medians			**18.2**	**9.3**	**0.2**	**1.9**		**14.1**	**–5.8**		**4.2**	**–25.7**	

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Sources: Media General Financial Services, Inc.; Forbes

ments in foreign currency are worth less as the dollar rises. The currency differential also makes the cost of new contracts with U.S. firms more expensive. At Fluor, for example, the squeeze is so tight that management has arranged sale/leaseback of corporate headquarters to help reduce debt. And at Blount and Signal, the good numbers are deceptive: Blount just completed a major Saudi contract and now has a thin backlog. Signal's turnaround stems largely from its aerospace business.

Several of the other commercial builders serve special markets—with their own special problems. CBI, for example, was hurt by the slowdown in the oil service industry. ENSERCH builds power plants, another stalled business. Perini, meanwhile, spun off its profitable real estate property to shareholders, and Fischbach's management has been tied up with antitrust litigation.

When it comes to new residential construction, one problem affects nearly all builders: In much of the country there are simply more houses than people want to buy.

The Sunbelt is a good example. Here there is a virtual glut in multifamily housing, such as apartment and condominium complexes. In addition, builders like U.S. Home and Pulte used to grow by knocking out the little guys in cities such as Houston, Dallas and Atlanta. Now they're going head to head. Even though this is bad for business, it's good for home buyers. Builders often subsidize mortgages and throw in extras to move products.

Jonathan Goldfarb, construction analyst for Merrill Lynch, confirms what the Yardsticks show. "In this very price-sensitive environment," he explains, "it is hard to raise prices to cover increased marketing costs. This has greatly restrained profitability."

That's an understatement. Pulte Home, the leader in the home building category for the second straight year, saw its earnings cut in half. Ryan Homes, which traditionally builds east of the Mississippi, moved into the hotly competitive Houston market, and earnings fell 24%.

The nation's largest residential builder, U.S. Home, also had problems in its native Texas. The company, which averaged a 14% return on equity from 1979 to 1983, lost money last year. The signs of trouble were apparent as early as July, when management auctioned 109 Houston homes to cut carrying costs. The first 53 went for $24,000 to $100,000, far less than the original selling prices of $40,000 to $150,000.

Along with Skyline and Kaufman & Broad, U.S. Home has also been hurt by intense competition in manufactured housing, the industry's term for prefabricated homes. Even though Fleetwood seems to be bucking this trend, don't be too sure. Most of its current gains stem from an improvement in demand for recreational vehicles, rather than prefab homes.

The outlook for 1985? The National Association of Home Builders thinks housing starts will fall about 12% and interest rates will rise in 1985. Traditionally, the more a mortgage costs, the fewer new houses people buy.

But interest rates, which have always been the main determinant of the pace of new construction, may become less significant. The growth of the secondary mortgage market, which packages securities for sale to investors, makes it easier to get a home loan even in tough times.

Also, adjustable-rate mortgages now account for 60% of all financing, and they make selling a house easier when interest rates are high. In the early years, the interest rate on these loans is usually below that of fixed-rate financing. Heightened competition, meanwhile, has builders often absorbing mortgage costs, and some state and local governments are also issuing tax-free bonds and using the proceeds to offer below-market-rate mortgages.

"I'm not sure everybody appreciates how pervasive these new financing forms have become," says Goldfarb. "I suspect that many outsiders will be surprised at how few new buyers are paying the full mortgage rate you see quoted in the newspapers."

All of this may eliminate some of the boom and bust from the housing cycles, but it does nothing to eliminate competition. ■

Builders

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Residential													
Pulte Home		1	35.9%	17.6%	0.2	5.7%	1	28.8%	15.1%	1	27.3%	–51.1%	average
Centex	46/ 55	2	18.7	12.2	0.2	4.3	3	3.9	17.1	2	3.9	1.2	very low
U S Home		3	14.1	def	0.7	2.4	2	6.1	1.9	5	–21.3	P-D	low
Ryan Homes		4	12.8	10.6	0.1	3.[illegible]	4	3.5	3.6	3	–14.5	–23.9	low
Fleetwood Enter	34/ 12	5	10.4	31.8	0.0	4.5	6	0.3	37.2		NM	36.9	NM
Skyline	65/DP	6	7.1	6.6	0.0	2.1	8	–8.2	18.3	4	–16.3	–1.4	average
Del E Webb	38/ 4	7	4.5	12.0	0.7	1.9	7	–8.2	47.4	6	–21.5	305.4	average
Kaufman & Broad	60/ 63	8	3.5	11.1	0.5	3.9	5	0.9	14.2		NM	500.0+	NM
Medians			11.6	11.6	0.2	3.7		2.2	16.1		–18.8	–0.1	
Industry medians			16.7	10.0	0.2	2.1		11.0	2.8		–6.2	–16.2	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

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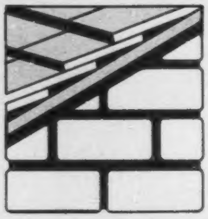
Sources: Media General Financial Services, Inc.; Forbes

BUILDING MATERIALS



What is good for the economy is usually even better for construction companies and the folks who supply them. But that volatility works on the downside, too. So if the recovery fades. . . .

THE ECONOMY was growing rapidly in early 1984, which meant that business was great for most of these companies. All but one of the building materials subgroups exceeded both their five-year sales and earnings averages, with the cement and gypsum and lumber companies showing dramatic gains. Net profit margins were up slightly and debt fell. Profitability was the only weak comparison: The 12-month median of 8.9% is just below the long-term average of 9.8%.

The big question, of course, is how the group will do this year. There was some good news recently when the Commerce Department reported that construction spending rose in October for the first time since May. But remember that this is a cyclical industry. Since last year was so good, many economists doubt that builders will be able to top it during the next 12 months. Some highlights from 1984:

Other materials: H.H. Robertson, which led the group last year, falls to fifth place. Its 12-month profitability is less than half its five-year average. Weakness in foreign markets is part of its problem. Glassmaker Guardian Indus-

Building materials

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Cement and gypsum													
U S Gypsum	52/ 85	1	13.5%	23.6%	0.2	5.0%	5	0.8%	41.3%	1	–13.1%	160.4%	average
Moore McCormack	52/ 48	2	11.6	4.1	1.0	2.1	4	2.1	30.9	3	–26.3	176.8	low
National Gypsum	52/ 84	3	10.9	19.1	0.3	4.4	3	2.4	50.6	2	–16.6	174.9	average
Lone Star Inds	78/ 44	4	9.5	6.8	0.7	1.9	6	-1.6	8.1		NM	D-P	NM
Gifford-Hill		5	8.9	7.4	1.0	0.9	2	2.4	12.5	4	–47.0	500.0	high
Ideal Basic Inds	82/DD	6	7.7	def	1.1	def	7	–1.8	5.8		NM	D-D	NM
Lafarge		7	3.1	def	0.9	def	1	15.0	2.5		NM	D-D	NM
Medians			9.5	6.8	0.9	1.9		2.1	12.5		–47.0	167.7	
Lumber													
Weyerhaeuser	53/ 64	1	10.9%	8.5%	0.4	4.2%	4	3.1%	16.5%	1	–23.0%	72.9%	high
Willamette Inds	34/ 11	2	9.9	12.1	0.7	2.1	2	5.3	12.9	3	–31.5	118.6	high
Georgia-Pacific	61/ 69	3	9.2	11.1	0.7	1.6	1	6.2	12.6	2	–28.2	500.0+	high
Boise Cascade	35/ 7	4	8.4	7.5	0.4	1.8	3	4.4	16.5	5	–34.2	110.3	average
Champion Intl	40/ 33	5	8.3	7.4	0.6	1.9	5	3.1	9.6	4	–32.3	119.4	high
Louisiana-Pacific	85/130	6	6.8	6.5	0.2	2.5	6	–3.0	20.2		NM	150.0	NM
Medians			8.8	8.0	0.5	2.0		3.8	14.7		–31.9	119.0	

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Sources: Media General Financial Services, Inc.; Forbes

tries, new to the top of the list, also had troubles: Its sales grew almost twice as fast as earnings, and return on equity was well below long-term levels. American Standard, meanwhile, acquired Trane Co., which makes its 12-month earnings and sales growth look impressive. Earnings were also boosted as a result of American Standard's decision to sell off its moneylosing construction and mining equipment division.

Lumber: Weyerhaeuser and Willamette Industries switched places for first and second in the Yardsticks. Weyerhaeuser moved up primarily on the strength of its pulp, paper and packaging products. Boise Cascade also showed substantial gains. Its earnings through June were more than double the results for the first six months of 1983. Significant improvement at the company's paper group was the main reason for the gain.

Cement and gypsum: U.S. Gypsum, Moore McCormack and National Gypsum finished one, two and three, respectively—the same order as last year. U.S. Gypsum, which receives about a third of its sales from new home construction, was helped by the housing boom. Lone Star Industries, the largest U.S. producer of cement, concrete, sand and gravel, moved from last place to fourth, primarily because of increased residential construction and price rises.

Equipment: Elevator maker Dover Corp. leads for the fifth consecutive year and shows no signs of slowing down. Its 12-month sales and earnings top its five-year averages, and net profit margins increased slightly. ■

Building materials

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Other materials													
Guardian Inds	60/ 77	1	24.2%	18.7%	0.8	8.1%	1	17.4%	13.4%	2	16.0%	7.3%	very high
Trinity Inds	68/ 41	2	23.6	def	0.5	1.2	10	3.8	2.9	14	–13.5	P-D	very low
Masco	47/ 61	3	20.4	17.0	0.5	10.1	3	10.8	6.9	4	8.7	22.2	high
Vulcan Materials	42/ 85	4	19.2	17.2	0.2	6.6	11	3.1	26.8	8	–0.1	78.3	very low
H H Robertson	81/ 76	5	19.0	8.5	0.1	3.1	4	8.1	3.1	3	10.7	–30.7	low
American Standard	33/ 52	6	18.4	14.0	0.6	2.9	20	–0.9	50.7	17	–17.1	30.9	average
Insilco	27/ 19	7	15.6	12.9	0.4	5.1	5	7.0	18.3	9	–2.3	1.6	very low
PPG Industries	30/ 40	8	14.4	16.5	0.3	6.3	9	4.9	16.4	6	3.2	47.1	very low
U S Gypsum	36/ 14	9	13.5	23.6	0.2	5.0	18	0.8	41.3	13	–13.1	160.4	average
Harsco	25/ 2	10	13.3	10.0	0.3	3.3	17	1.0	17.7	11	–9.2	38.9	low
Amsted Inds	41/PD	11	13.1	6.8	0.0	def	25	–7.8	27.8		NM	D-P	NM
Ceco Industries		12	12.3	8.1	0.2	2.5	8	5.3	21.3	7	1.6	–8.4	very low
Sherwin-Williams	28/ 66	13	11.8	17.1	0.5	2.8	2	13.0	5.4	1	55.7	24.4	very high
DeSoto	81/ 80	14	11.0	15.2	0.1	5.3	19	0.7	14.0	5	4.9	18.5	low
National Gypsum	48/ 15	15	10.9	19.1	0.3	4.4	13	2.4	50.6	16	–16.6	174.9	average
SCM	33/ 45	16	9.8	9.3	0.5	2.1	14	2.0	20.6	12	–10.2	205.0	low
Owens-Corning	75/ 59	17	9.3	14.8	0.3	2.9	7	6.3	12.8	15	–16.2	68.7	average
Temple-Inland	25/ 40	18	8.8†	12.8	0.3	4.1	6	6.8‡	7.2		NA	NA	NA
Jim Walter	45/ 14	19	8.7	13.4	1.5	3.5	12	2.9	11.5	18	–27.8	37.3	low
Armstrong World	75/ 77	20	8.6	14.2	0.1	4.4	15	2.0	10.6	10	–8.8	63.7	low
Koppers	33/ 62	21	5.8	5.6	0.4	1.6	21	–1.2	19.9		NM	D-P	NM
Manville	88/ 88	22	2.6	4.4	0.5	3.9	23	–1.6	0.0		NM	D-P	NM
Crane		23	2.4	def	0.8	def	26	–8.9	5.0		NM	D-D	NM
CertainTeed		24	1.1	8.4	0.3	3.2	16	1.4	18.6		NM	24.3	NM
Southwest Forest	37/DP	25	0.8	0.7	1.3	def	22	–1.3	22.3		NM	D-P	NM
GAF	53/DP	26	def	def	0.5	def	27	–11.0	8.9		NM	D-D	NM
Bird	79/56	27	def	def	0.6	0.4	24	–5.4	10.8		NM	D-D	NM
Medians			**11.0**	**12.8**	**0.4**	**3.2**		**2.0**	**14.0**		**–13.5**	**24.4**	
Equipment													
Dover	40/ 37	1	25.0%	19.9%	0.1	7.7%	2	14.7%	19.5%	1	13.3%	33.3%	average
United Tech	26/ 29	2	17.8	17.4	0.2	3.5	1	17.3	10.7	2	6.0	27.1	average
Scovill	39/ 42	3	10.5	13.8	0.4	3.4	4	–3.1	18.1		NM	26.5	NM
Butler Mfg		4	8.5	def	0.3	def	3	–2.4	10.8		NM	D-D	NM
Medians			**14.1**	**15.6**	**0.2**	**3.4**		**6.2**	**14.5**		**NM**	**26.8**	
Industry medians			**9.8**	**8.9**	**0.4**	**2.8**		**2.4**	**13.2**		**–27.1**	**32.1**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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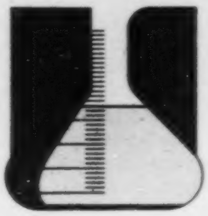
Sources: Media General Financial Services, Inc.; Forbes

CHEMICALS



For the second year in a row, these companies followed a well-mixed formula for recovery. Now operating earnings are up 40%, but it may take a magic potion to keep the growth from slowing.

HOW TO CHARACTERIZE the industry's 1984? Robert Powell, chairman of Reichhold Chemicals, sums up the year best: "It was a better year than 1983, but certainly not one that everyone is boasting about."

So true. Chemicals rank 25th among the 42 Yardsticks, with median five-year return on equity of 14.1%. In the past 12 months the group couldn't match that performance. Profitability fell to 13% and seems part of a broader trend. Back in 1979 the chemical industry ranked 9th among all groups in terms of long-term profitability.

Nonetheless, most chemical industry executives, like Powell, viewed 1984 as a good year, even if they aren't bragging. Only 10 of the 45 U.S. chemical producers in our roster failed to post gains in earnings per share in the past year. Among diversified companies, those increases averaged 45.9%. Specialized chemicals, meantime, average a 23.7% median rise in earnings per share.

Allied Corp.'s appearance as the profitability leader deserves some explanation. In 1979 Allied issued preferred stock with a mandatory liquidation so big that the company's equity base was virtually wiped out, according to FORBES' strict definitions. All this caused the firm's return to rise artificially. On a 12-month basis Allied is one of the industry's weakest performers.

Chemicals

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Diversified													
Allied Corp	23/ 17	1	35.4%	2.7%	0.4	0.6%	2	21.5%	19.3%		NM	–78.2%	NM
Rohm & Haas		2	14.7	19.4	0.3	7.3	6	7.5	10.7	1	12.8%	31.7	average
E I du Pont	33/ 45	3	14.7	13.0	0.4	3.2	1	30.9	4.6	10	–5.9	47.8	low
Hercules	65/ 66	4	14.2	15.8	0.3	6.6	8	5.1	6.0	8	–1.1	28.5	very low
Borg-Warner	23/ 35	5	14.1	14.0	0.2	5.2	5	7.8	14.6	3	5.4	16.9	average
Dow Chemical	83/111	6	13.9	10.8	0.6	2.7	4	8.5	10.1	14	–17.7	122.2	average
FMC	37/ 61	7	13.1	15.6	0.2	4.8	13	3.1	4.9	6	2.5	46.1	average
Univar	57/ 66	8	13.1†	17.3	0.6	0.8	14	2.3‡	12.6	12	–12.3‡	131.0	average
Borden	30/ 37	9	12.9	13.8	0.3	4.4	16	1.1	9.8	2	9.1	11.7	very high
Pennwalt	61/ 58	10	12.3	12.2	0.4	4.6	19	–0.6	8.6	11	–11.7	75.0	average
Stauffer Chemical	80/104	11	12.2	1.8	0.3	def	17	0.7	12.4		NM	D-P	NM
American Cyanamid	48/ 36	12	11.7	13.7	0.3	4.7	9	4.5	10.0	7	–0.9	45.6	very low
Diamond Shamrock	23/ 7	13	11.3	1.5	0.7	def	3	16.5	27.1		NM	P-D	NM
Monsanto	63/ 49	14	10.9	12.7	0.3	5.9	10	3.7	11.0	4	3.3	43.2	very low
Natl Distillers	34/ 41	15	10.6	6.4	0.3	2.6	7	6.5	88.2	13	–12.7	47.4	average
Union Carbide	43/ 40	16	10.6	4.0	0.5	0.9	15	1.9	6.2	15	–25.7	–9.9	low
Celanese	51/ 29	17	9.9	16.4	0.7	3.4	12	3.3	7.4		NM	500.0+	NM
Olin	57/ 48	18	8.6	10.4	0.5	3.7	11	3.5	10.2	5	2.6	60.2	very low
Reichhold Chemicals		19	6.9	12.3	0.2	2.9	18	–0.5	3.7	9	–3.7	49.8	very low
Medians			12.3	12.7	0.3	3.4		3.7	10.1		–5.9	45.9	

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Sources: Media General Financial Services, Inc.; Forbes

Overall, the industry's operating earnings last year climbed 40%, according to William Young, who follows chemicals for Dean Witter Reynolds. Little of that came by way of price increases, which averaged about 2% during the year. Most of the rise in earnings was fueled by volume growth. "Revenues grew much more than fixed costs, so margins improved considerably," says Young.

The continued strength of the dollar has taken the oomph out of many chemical makers with multinational operations. "The dollar really began to bite into the industry's profitability in the third quarter," says A. Nicholas Filippello, Monsanto's chief economist. "Profits on exports have diminished substantially, and imports have just been exploding." If the long-awaited drop in the value of the dollar occurs this year, it could significantly brighten the outlook for chemical manufacturers in 1985. "A 10% drop in the dollar would make U.S. chemical producers much more competitive," says James Wiborg, chairman of Univar Corp., a major chemical distributor.

More threatening, of course, is the devastating industrial accident at Union Carbide's plant in Bhopal, India. By year's end Union Carbide was facing a barrage of lawsuits seeking damages far in excess of its net worth. This is forcing chemical industry executives, worried that the accident may spur a new wave of tougher environmental rules, to rethink their international commitments.

A major trend in the industry is a shift from basic commodity chemicals to specialty value-added products. It's hard to find a chief executive in the industry who doesn't talk about moving toward "specialty" chemicals. Says Alexander Giacco, Hercules' chairman: "Specialty product is now a generic term. If you're a me-too in the specialty chemical area, you'll have trouble making money there, too. What makes a profitable product is being the market leader."

As for the future, Dean Witter's Young thinks chemical makers will have a tough time beating last year's earnings increase. He's predicting operating profits will rise 20% in 1985. "We expect raw materials to be flat or slightly down due to overcapacity," says Vincent Gregory, chairman of Rohm and Haas. "Our overall performance will depend on the economy for volume growth and our ability to pass on inflationary costs through price increases." ■

Chemicals

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Specialized													
Freeport-McMoran	56/ 47	1	24.4%	12.5%	0.4	11.9%	1	19.6%	6.4%	4	10.0%	67.1%	very low
Nalco Chemical		2	24.2	21.7	0.1	10.8	13	6.0	8.1	5	8.3	23.7	low
Cabot	29/ 26	3	21.5	14.4	0.4	4.1	2	15.7	12.5	7	4.7	51.0	very low
Intl Flavors		4	21.4	19.9	0.0	14.8	16	4.2	2.6	8	3.3	3.3	high
Morton Thiokol	50/ 57	5	20.5	19.4	0.2	5.5	3	13.7	13.3	1	19.8	23.6	average
Lubrizol		6	20.4	14.2	0.1	8.1	14	5.1	6.8	17	–8.4	31.5	low
Vulcan Materials	31/ 16	7	19.2	17.2	0.2	6.6	19	3.1	26.8	13	–0.1	78.3	very low
Universal Leaf	35/ 20	8	19.0	19.3	0.1	3.8	12	6.0	5.3	2	12.7	17.9	very high
Dexter	47/ 40	9	17.1	15.1	0.4	4.9	10	7.4	15.1	9	3.1	1.7	average
Big Three Inds	43/ 67	10	17.0	8.4	0.3	6.8	6	11.1	13.4	12	0.0	4.2	very low
Air Products		11	17.0	13.4	0.4	6.7	8	9.2	6.7	6	4.8	31.1	low
Witco Chemical		12	16.3	18.6	0.4	3.8	5	12.3	11.8	11	0.9	37.3	very low
Sun Chemical	61/ 60	13	15.7	7.0	0.8	1.3	4	13.4	19.3	19	–29.3	–25.8	average
W R Grace	44/ 62	14	15.4	8.9	0.6	2.6	11	7.0	9.9	14	–0.6	23.5	very low
Intl Minerals	70/ 83	15	15.1	8.8	0.4	5.3	21	1.8	8.3	15	–4.0	5.0	very low
NL Industries	33/NM	16	14.7	0.9	0.4	def	23	–2.2	–10.0		NM	D-P	NM
Ethyl	47/NA	17	14.6	14.6	0.3	6.1	20	2.8	3.8	10	2.5	31.3	average
Liquid Air	84/104	18	14.1	9.7	0.5	5.2	9	8.0	7.4	16	–5.7	10.0	low
Ferro		19	11.8	10.6	0.3	3.1	17	3.4	12.0	18	–11.7	28.9	average
Williams Cos	34/ 58	20	9.7	14.3	1.5	2.5	15	4.5	228.1	3	12.0	500.0+	very low
Koppers	35/ 8	21	5.8	5.6	0.4	1.6	22	–1.2	19.9		NM	D-P	NM
B F Goodrich	35/ 36	22	4.5	6.3	0.6	0.6	18	3.2	11.4		NM	D-P	NM
Uniroyal	29/ 40	23	0.2	15.0	0.5	2.6	25	–6.3	12.2		NM	194.0	NM
Gulf Resources	42/ 33	24	def	19.1	2.2	3.3	24	–4.6	6.2		NM	169.7	NM
GAF	46/115	25	def	def	0.5	def	26	–11.0	8.9		NM	D-D	NM
Inspiration Res	31/DD	26	def	def	0.7	def	7	9.2	12.3		NM	D-D	NM
Medians			**15.6**	**13.8**	**0.4**	**3.9**		**5.5**	**10.7**		**–0.4**	**23.7**	
Industry medians			**14.1**	**13.0**	**0.4**	**3.8**		**4.5**	**10.1**		**–3.7**	**31.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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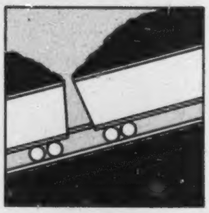
Sources: Media General Financial Services, Inc.; Forbes

COAL



Labor relations is buffeting these companies in an unusual way. Business was great at the beginning of 1984. And that's why it may be lousy during the first part of this year.

THE COAL INDUSTRY signed a new labor contract without a strike last year, for the first time since 1964. Industry executives say United Mine Workers President Richard Trumka's realistic negotiating style minimized conflicts. And even though bargaining was tough, both sides now seem pleased with the outcome.

Customers' memories are long, however, and that explains the industry's current predicament. The strike threat skewed sales figures for most of last year. While coal consumption rose 6% in 1984, production jumped 12%. How come? Users stockpiled coal in anticipation of labor trouble that never came.

After the Sept. 30 strike deadline, demand softened dramatically. Now customers will be living off inventory through spring. Consequently, last year's record production of 874 million tons probably won't be matched in 1985. Expect earnings and stock prices to fall as well.

Still, 1984 is a year to remember. The industry's median return on equity was nearly 40% above its long-term average. Median earnings were up 66%, and net margins for the group increased as well.

These strong numbers would have been even stronger were it not for trouble at two diversified firms. Kaneb Services, which is new to the Yardsticks, shows a deficit on return on equity and earnings per share for 1984. But don't blame coal. The poor performance was at the company's oil services division.

At Pittston the trouble was more widespread. Tough competition hurt its air freight and security businesses. And the company produces mostly metallurgical coal, which is used by steelmakers, as opposed to steam coal, which is used to make electricity Thus the steel industry's problems also hurt Pittston.

Highly leveraged North American Coal leads the industry in profitability over the last 12 months. The company topped its five-year average of earnings per share by a whopping 76 percentage points.

Eastern Gas & Fuel and Westmoreland Coal, meanwhile, had moderate but respectable sales gains. Gulf Resources reported the industry's best earnings growth. And even though it finished last, the company enjoyed a solid recovery. Its earnings were up 170% from 1983. ■

Coal

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Kaneb Services	40/ 35	1	23.8%	def	0.6	7.7%	2	13.2%	–0.4%	3	0.6%	P-D	very low
North Amer Coal		2	15.0	23.1%	6.1	4.8	4	10.1	12.8	2	4.5	80.8%	low
Eastern Gas	37/ 4	3	13.0	13.3	0.6	3.6	1	13.4	8.7	1	20.7	51.0	low
Pittston	47/DP	4	2.6	def	0.3	def	5	2.3	15.4		NM	D-D	NM
Westmoreland		5	1.1	7.9	0.3	2.6	3	11.7	10.5		NM	86.0	NM
Gulf Resources	26/ 17	6	def	19.1	2.2	3.3	6	–4.6	6.2		NM	169.7	NM
Industry medians			**7.8**	**10.6**	**0.6**	**3.4**		**10.9**	**9.6**		**NM**	**65.9**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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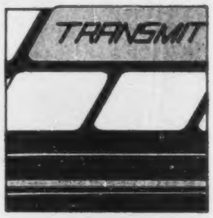
Sources: Media General Financial Services, Inc.; Forbes

COMPUTERS



In 1984 most computer firms beat their five-year profitability averages handily. But several companies didn't. Most of them ran headlong into IBM.

LOTS OF THINGS WENT RIGHT in the computer business last year. A year ago the group's median five-year average return on equity was 15.1%. Now it is up to 17.4%. The last time we tallied the numbers, these companies ranked 23rd among the 42 FORBES industry groups in terms of long-term profitability. Now the computer industry has moved up to ninth place.

But the world isn't perfect. Last year few of these firms kept pace with their five-year performances. The median for the latest 12-month return on equity is 12.9%. That is considerably below the long-term average of 17.4%.

The strong dollar hurt foreign sales as well as earnings from offshore subsidiaries. But a far greater factor on bottom lines is IBM's new aggressiveness in nearly every area of the market—from micros to mainframes. IBM's sales were up 15.6% over the latest 12 months, and its 12-month profitability is higher than its five-year average profitability. These are phenomenal achievements for a company with annual sales of $40 billion.

Mostly because of stellar performance in earlier periods, relative upstart Apple Computer once more tops our five-year profitability rankings. Its latest 12-month sales were up 54.2%, but earnings fell 18% because of capital and advertising expenses associated with launching the Macintosh and Apple IIc. In 1979 Apple's sales were $47.9 million. In fiscal 1984 they exceeded $1 billion for the first

Computers

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Apple Computer		1	113.8%	17.0%	0.0	7.8%	1	154.3%	54.2%	1	112.5%	–18.0%	very high
Comdisco		2	46.7	15.5	1.4	10.3	5	26.8	2.8	3	42.4	–41.0	high
Prime Computer		3	44.3	20.5	0.1	6.3	3	40.9	25.0	4	26.8	55.4	average
Wang Laboratories		4	34.5	20.3	0.3	9.6	2	51.6	41.4	2	44.4	27.2	very high
IBM		5	23.6	27.0	0.1	13.7	11	13.9	15.6	7	11.0	21.2	high
Storage Technology		6	20.8	def	0.8	def	6	26.7	–6.0		NM	P-D	NM
Hewlett-Packard	51/ 45	7	20.1	23.0	0.0	9.2	8	21.9	28.3	5	20.6	53.3	very high
Digital Equipment		8	17.5	12.2	0.1	5.9	7	25.8	36.4	6	12.0	85.4	average
Harris Corp	36/ 34	9	17.4	12.0	0.3	4.0	12	13.1	37.0	10	–1.8	23.7	very low
Datapoint		10	16.7	8.0	0.3	4.4	4	27.8	11.1	16	–29.2	222.5	low
NCR		11	15.1	16.3	0.2	7.7	16	6.8	8.3	11	–2.3	28.0	very low
Honeywell	28/ 31	12	14.3	12.9	0.3	4.0	15	9.9	5.4	9	3.1	28.0	low

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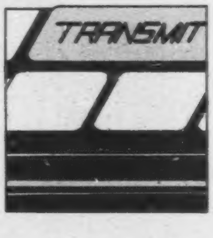
Sources: Media General Financial Services, Inc.; Forbes



Both Apple and IBM want to be the low-cost producer of microcomputer systems. That puts pressure on the smaller competitors.

time. This year Apple could hit $2 billion.

A range of problems, meanwhile, drove former star Storage Technology into reorganization. There were costly delays in shipping its 8380 disk drive, created to compete with the IBM 3380. And sales of older Storage products eroded faster than expected when IBM started shipping its new 3380 disk drive in volume. Caught in the midst of delays and rising costs and with more funds needed to finance research on optical storage, the company was also forced to end its ambitious attempt to develop a mainframe computer.

Another troubled company, Gene Amdahl's Trilogy Systems, hurt two bigger firms in the Yardstick. Sperry shows a 3.5% increase in sales and a 63.1% jump in earnings over the latest 12 months. Those results would be better if Sperry hadn't had to write off its 13% stake in Trilogy, which failed in an attempt to develop large-scale microchip circuits. Digital Equipment also posted a fat earnings gain. But it, too, would have done better without Trilogy. The company wrote off the value of its Trilogy investment, a total of $20.4 million.

Both Datapoint and Data General posted 12-month earnings gains of over 200%. But these large numbers can be deceptive. Note that each of these companies has a negative five-year earnings growth rate. That means profits have been trending down, not up. So the current fat gains come from depressed results in 1983.

Troubles at Comdisco and Control Data deserve special mention. Comdisco is primarily a leasing company. Last year outsiders questioned the accounting in some of its tax shelters, and sales dropped sharply. At Control Data, on the other hand, the decline stems primarily from losses related to its exit from the IBM plug-compatible market.

The shakeout in personal computers continues. Last year saw the demise of independent brands like Franklin and Gavilan, while former stars such as Eagle and Columbia fell on hard times. At the same time, giants AT&T and ITT entered the fray.

These companies and other late arrivals in the microcomputer field—firms like Wang, Hewlett-Packard, Digital Equipment, NCR, Data General and Sperry—could ultimately benefit from the shakeout of smaller undercapitalized firms. With the name recognition of the majors and their installed base of mainframes, minis and word processors, these companies should be able to capture a portion of the market.

Both Apple and IBM are dedicated to becoming the low-cost producers of their respective microcomputer systems. That puts pressure on competitors with smaller market shares: Either they must contract out much of their manufacturing or they must become distributors for equipment manufactured offshore.

AT&T went to an outsider—Olivetti—for its IBM-compatible microcomputer. Meanwhile, importers Epson and Panasonic traded on their name recognition in consumer electronics and office equipment to make inroads in the U.S. market.

As this fast-changing industry evolves, two trends stand out. Nearly every domestic manufacturer rises or falls according to its relationship with IBM. And IBM increasingly will rise or fall depending on its ability to outmaneuver the Japanese. ■

Computers

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Data General		13	14.2%	17.0%	0.3	2.8%	10	16.7%	40.0%	15	–17.8%	220.8%	average
Sperry	57/ 58	14	11.2	10.0	0.3	4.4	17	2.9	3.5	13	–14.9	63.1	average
Control Data	76/ 71	15	10.9	2.7	2.6	3.5	14	10.4	10.9	8	10.0	–68.6	high
Amdahl		16	10.0	9.7	0.2	5.6	9	18.2	11.3	14	–15.2	23.1	low
Burroughs		17	8.2	10.4	0.3	4.6	13	12.7	15.1	12	–12.4	118.6	low
Medians			**17.4**	**12.9**	**0.3**	**5.6**		**18.2**	**15.1**		**3.1**	**28.0**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

CONSUMER PRODUCTS

Many of these companies are enjoying a hefty boost from the resurgent economy. But several also got hit by heavier-than-usual competition.

MOST CONSUMER PRODUCTS companies are ringing up handsome gains, and the economic recovery gets the credit. A lot of people put off buying appliances and household goods during the recession. But last year they made up for lost time. The makers of personal care products also benefited, although they were more likely to be penalized by costly new product launches and battles for market share.

With a median five-year profitability of 13.4%, these firms rank 29th among the 42 industry groups. That's not exceptional, but during the most recent 12 months these companies show a median profitability of 15.6%.

Within the subgroups, the picture wasn't always this rosy, however. Last year personal products firms posted a median return on equity of only 15.1%; that is 3.4 percentage points below their five-year average. But the reverse was true for appliance manufacturers. These 16 firms outperformed their five-year averages by about 75%.

Competition caused trouble in personal products. Market share battles kept margins down at Chesebrough-Pond's and Procter & Gamble. Even Shaklee, which leads with a 26% five-year return on equity, fell well below that mark last year. As a direct marketer, it has difficulty recruiting salesmen when the economy is strong.

Among household products, only Clorox and Economics Laboratory beat their five-year profitability averages. But American Home Products—with roughly $5 billion in revenues—came close. It ranks 33rd among the 1,000 companies in this issue, with a five-year return on equity of 34%. American Home's most profitable operations are in its health care and ethical drug divisions. But as the profit percentages indicate, products like Woolite and Easy-Off oven cleaner clearly hold their own.

Again, Maytag leads in appliances. Its profitability jumped to 28.3% during the last four quarters. But Magic Chef is moving up: Although eighth in terms of five-year figures, it's fourth in latest 12-month performance.

Consumer products

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Appliances													
Maytag		1	24.3%	28.3%	0.1	10.2%	3	11.3%	9.7%	3	4.7%	16.5%	low
General Electric	23/ 17	2	20.4	19.6	0.1	7.6	5	6.2	2.1	2	10.0	12.2	very high
Whirlpool		3	17.5	19.3	0.1	6.3	7	3.9	23.1	1	10.3	11.2	high
Fuqua Industries	26/ 49	4	15.9	27.6	1.5	5.6	16	−16.4	18.5		NM	−7.8	NM
Stanley Works	40/ 45	5	14.7	16.3	0.2	5.4	6	5.0	16.7	6	−2.0	55.8	very low
White Consolidated	76/ 96	6	12.2	8.7	0.3	2.5	8	3.2	3.1	7	−10.5	9.8	average
Allegheny Intl	44/ 43	7	12.1	8.0	0.8	1.2	2	16.9	0.6		NM	D-P	NM
Magic Chef	77/ 58	8	10.3	26.3	0.3	5.2	1	17.4	37.2	4	3.0	77.7	very low
Black & Decker		9	9.5	17.2	0.3	3.8	9	2.5	31.3		NM	91.2	NM
Roper Corp		10	9.2	20.1	0.4	3.1	11	1.7	18.8	5	2.6	53.8	very low

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Sources: Media General Financial Services, Inc.; Forbes

Several firms that make small appliances and lawn equipment posted impressive gains last year, too. At Roper return on equity is better than twice its five-year average. And Black & Decker, with a boost from its recent acquisition of General Electric's small appliance division, logged a hearty 12-month earnings growth rate of 91.2%. Even Toro worked down its snowblower inventory well enough to report 3% net margins.

Singer and Allegheny International remain among the most leveraged appliance firms, with debt-to-equity ratios of 0.8. Even so, Singer earned 12.9% on its equity last year; that's quite an improvement from its negative five-year average, even though its defense business gets most of the credit. But at Allegheny, which picked up much of its debt by acquiring Sunbeam in 1981, the trend is in the opposite direction. Its profitability dipped from a five-year average of 12.1% to only 8% for the latest 12 months.

The least profitable consumer product group is home furnishings. These seven companies have a median five-year average return on equity of only 9.5%, a figure that fell to 6.6% during the latest 12 months. Still, West Point-Pepperell has an impressive all-round performance. And Springs Industries and Mohasco managed to best their five-year averages. ■

Consumer products

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Hoover		11	8.0%	18.8%	0.1	3.8%	13	–1.9%	2.7%		NM	54.2%	NM
Zenith Electronics	68/NA	12	6.3	17.6	0.3	3.4	4	6.3	21.9		NM	309.6	NM
Toro		13	def	12.4	0.5	3.0	14	–5.2	16.3		NM	D-P	NM
Singer	28/DP	14	def	12.9	0.8	0.7	12	–0.2	2.5		NM	500.0 +	NM
Talley Industries	42/ 17	15	def	15.5	0.4	2.9	15	–10.0	6.6		NM	45.3	NM
NI Industries	40/ 31		NA	36.0	0.9	5.3	10	1.8	13.9		NM	46.3	NM
Medians			**10.3**	**18.2**	**0.4**	**3.8**		**2.9**	**15.1**		**NM**	**50.1**	
Home furnishings													
West Point-Pepperell	57/ 77	1	12.4%	13.1%	0.2	4.3%	1	5.4%	10.5%	2	9.7%	5.9%	average
Corning Glass	46/ 41	2	11.6	5.6	0.3	5.8	3	4.6	8.8	4	–10.1	–23.6	average
Fieldcrest Mills		3	10.5	6.6	0.4	2.7	5	2.0	6.8	5	–14.5	–27.1	average
Springs Industries	46/ 35	4	9.5	9.9	0.1	4.1	2	4.8	9.5	1	14.0	28.9	low
Burlington Inds	33/ 30	5	7.5	5.2	0.4	3.0	4	4.1	6.0	3	0.7	–29.7	very low
Anchor Hocking	74/ 73	6	6.9	4.1	0.3	def	6	0.7	–29.8		NM	D-P	NM
Mohasco		7	2.7	8.0	0.3	2.0	7	–4.3	13.9		NM	D-P	NM
Medians			**9.5**	**6.6**	**0.3**	**3.0**		**4.1**	**8.8**		**–10.1**	**–23.6**	
Household products													
American Home	39/ 22	1	34.0%	32.9%	0.0	12.9%	2	9.9%	12.7%	1	12.6%	11.6%	very high
Procter & Gamble	36/ 51	2	19.8	17.4	0.1	6.9	3	8.9	5.0	2	10.6	–4.9	very high
Clorox		3	18.5	21.7	0.1	8.2	5	0.7	7.9	3	10.3	3.1	average
Sterling Drug	34/ 38	4	16.4	15.5	0.1	7.2	4	7.3	0.0	4	6.8	6.9	high
Economics Lab	26/ 4	5	12.0	17.6	0.3	5.2	1	11.3	4.8		NM	D-P	NM
Medians			**18.5**	**17.6**	**0.1**	**7.2**		**8.9**	**5.0**		**10.3**	**5.0**	
Personal products													
Shaklee		1	26.0%	8.7%	0.1	6.5%	1	14.2%	–14.8%	3	11.4%	–62.7%	average
Avon Products	62/ 64	2	24.1	14.1	0.3	5.5	11	8.1	1.5	14	–11.3	–5.5	high
Bristol-Myers	25/ 19	3	23.3	24.2	0.1	10.4	9	9.8	7.4	1	14.1	15.9	very high
Chesebrough-Pond's	25/ 29	4	21.8	17.4	0.2	7.6	3	11.5	9.9	4	11.0	–5.1	high
Johnson & Johnson	42/ 45	5	19.9	15.6	0.1	8.2	4	11.2	2.8	6	10.3	–5.7	high
Procter & Gamble	38/ 48	6	19.8	17.4	0.1	6.9	10	8.9	5.0	5	10.6	–4.9	very high
Gillette	83/100	7	18.9	20.9	0.4	6.7	13	4.6	3.2	7	8.0	10.3	very high
Kimberly-Clark	72/ 67	8	18.1	14.3	0.3	5.8	5	11.0	11.1	10	0.8	22.8	very low
Schering-Plough	44/ 35	9	17.8	13.7	0.1	10.5	7	10.0	0.2	11	–2.5	–3.6	low
Consolidated Foods	21/ 28	10	17.2	20.3	0.3	2.7	2	11.7	–0.2	2	12.9	13.3	very high
Revlon	46/ 37	11	16.6	11.9	0.5	4.7	6	10.5	1.6	13	–10.5	43.2	average
Colgate-Palmolive	68/ 49	12	14.3	14.5	0.2	4.1	14	2.6	1.4	8	7.2	–2.1	average
Scott Paper	63/ 58	13	10.8	11.5	0.4	5.0	12	7.3	8.9	12	–5.7	82.4	low
Richardson-Vicks	86/ 97	14	9.2	15.7	0.4	5.6	8	10.0	9.2	9	1.9	46.0	very low
Medians			**18.5**	**15.1**	**0.2**	**6.1**		**10.0**	**3.0**		**7.6**	**4.1**	
Industry medians			**13.4**	**15.6**	**0.3**	**5.2**		**5.4**	**7.4**		**0.7**	**11.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

DIVERSIFIED COMPANIES

Does it make sense to diversify? If it does, the median profitability of these 41 firms ought to exceed the all-industry median at the bottom of the opposite page. Unfortunately, that's not the case.

ONE OF THESE 41 companies is involved in nearly every segment of the economy. That's what makes analyzing this Yardstick so difficult. These are firms that have, over the years, diversified so thoroughly that many of them represent four or five industry groups. Most of these companies also appear elsewhere in this issue.

Because of this, comparing one company with another can often be a futile exercise. There's simply no rational way to evaluate results at American Brands in light of those at General Electric. Indeed, this very complexity sometimes keeps the stock prices of these companies down. They don't fit neatly into any industry group, which makes many Wall Street analysts throw up their hands.

Complexity, however, may not be the only reason the

Diversified companies

Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Multicompanies												
American Brands	1	22.2%	19.4%	0.3	8.8%	11	4.8%	1.2%	3	8.6%	6.1%	average
Martin Marietta	2	21.3	def	0.7	3.6	1	18.1	34.8	6	3.9	P-D	low
Minn Mining & Mfg	3	21.2	19.7	0.1	9.5	5	8.1	10.8	10	2.0	12.1	low
IU International	4	21.1	5.3	0.7	2.2	19	–4.3	16.5	13	–6.0	–59.6	very low
General Electric	5	20.4	19.6	0.1	7.6	9	6.2	2.1	2	10.0	12.2	very high
Westinghouse Electric	6	15.8	15.0	0.1	4.7	3	8.2	4.5	4	8.0	25.4	high
Borg-Warner	7	14.1	14.0	0.2	5.2	7	7.8	14.6	5	5.4	16.9	average
Interco	8	13.1	10.6	0.2	4.3	6	8.0	4.2	11	–1.7	21.5	very low
FMC	9	13.1	15.6	0.2	4.8	13	3.1	4.9	8	2.5	46.1	average
ITT	10	13.1	7.9	0.5	4.4	17	–1.9	9.0	9	2.4	–26.7	very low
City Investing	11	12.5	3.8	1.2	0.9	4	8.1	33.4	17	–26.6	–69.5	high
Textron	12	12.1	8.6	0.2	3.0	18	–2.4	9.6	14	–12.2	24.7	average
Household International	13	11.4	14.6	2.3	2.6	2	12.4	4.3	12	–2.2	17.1	very low
RCA	14	10.8	10.5	0.7	2.7	10	5.4	10.9		NM	29.8	NM
Natl Distillers & Chem	15	10.6	6.4	0.3	2.6	8	6.5	88.2	15	–12.7	47.4	average
Union Carbide	16	10.6	4.0	0.5	0.9	15	1.9	6.2	16	–25.7	–9.9	low
Berkshire Hathaway	17	9.8	7.0	0.1	12.8	14	2.8	21.0	1	15.1	21.6	average
Olin	18	8.6	10.4	0.5	3.7	12	3.5	10.2	7	2.6	60.2	very low
Koppers	19	5.8	5.6	0.4	1.6	16	–1.2	19.9		NM	D-P	NM
Medians		**13.1**	**10.4**	**0.3**	**3.7**		**5.4**	**10.2**		**2.0**	**17.0**	

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Sources: Media General Financial Services, Inc.; Forbes

analysts despair. In theory, diversified companies ought to beat the all-industry medians—if they don't, what's the reason for diversification in the first place? But for the latest 12 months, the all-industry return on equity of 13.4% topped both conglomerates, at 11.8%, and multicompanies, at 10.4%. The conglomerates fared better over the long haul, returning 16.1%, vs. the all-industry median of 15.1%. The multicompanies weren't so lucky, bringing in only 13.1%.

Still, there are several interesting ways to explore these numbers. A quick evaluation of the relative performance of the two subgroups is unusually revealing.

Generally speaking, multicompanies in this Forbes Yardstick are those firms that are heavily diversified. But they tend to move into a variety of fields gradually, and without splashy takeovers. A classic example is 3M.

On the other hand, conglomerates tend to be businesses that more actively ply the takeover path. Often, these are newer firms, since the philosophy of buying your way into diversification didn't really catch on until the Sixties. Gulf & Western is a typical example.

But now look at the numbers. In 1984 the conglomerates earned a median return on equity that barely beat the multicompanies. But the contrast between the two groups is even stronger over the five-year period. Conglomerates earned a return on equity that bettered that of multicompanies by three full percentage points.

What does this mean? It might be that active conglomerators are more inclined to scrutinize the businesses they are in—not only acquiring but pruning and cutting divisions that don't look promising. This is the kind of management that ought to improve long-term profitability.

Conglomerates did more than merely win over the long haul. Their median return on equity over the 12 months covered was notably better than it was for last year, climbing from 9.7% in 1983 to 11.8% in 1984. Multicompanies, on the other hand, picked up somewhat less, from a 9.7% return in 1983 to a 10.4% return last year.

Still, all was not rosy with conglomerates. Allied Corp.'s earnings dropped by 78.2% in the 12-month period, which pulled its return on equity down, from 35.4% over the last five years to 2.7% in the 12-month span. Even though profits were up at Teledyne, its return fell from a long-term average of 25.8% to 12%, and Litton Industries suffered a similar drop in return, from 25.5% over the five years to 17.4% for last year.

When you turn to those firms listed under multicompanies, the return over the latest 12 months, 10.4%, actually climbed slightly from last year's return of 9.7%, although it did fall from the five-year return, 13.1%. And even though Martin Marietta lost money during the 12-month period, a number of other top multicompanies did quite nicely compared with last year. 3M, for example, increased its return from 18.5% last year to 19.7% in 1984. ■

Diversified companies

Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Conglomerates												
Allied Corp	1	35.4%	2.7%	0.4	0.6%	2	21.5%	19.3%		NM	–78.2%	NM
Teledyne	2	25.8	12.0	0.2	10.2	14	3.7	19.5	2	8.8%	28.9	average
Litton Industries	3	25.5	17.4	0.1	6.8	11	5.9	16.3		NM	35.3	NM
Raytheon	4	23.2	12.0	0.1	5.1	6	13.1	12.2	3	7.7	–23.6	high
Lear Siegler	5	22.9	17.0	0.6	4.4	13	4.6	42.7	8	1.2	25.1	very low
Whittaker	6	20.4	15.0	0.4	2.3	5	13.7	–6.0	5	3.5	58.1	very low
TRW	7	18.4	16.3	0.2	3.7	10	6.7	10.3	9	–0.5	40.6	very low
Northwest Industries	8	17.9	def	0.7	def	20	–6.0	23.2		NM	P-D	NM
United Technologies	9	17.8	17.4	0.2	3.5	3	17.3	10.7	4	6.0	27.1	average
Scott & Fetzer	10	16.5	18.8	0.3	5.1	16	2.8	11.9	7	1.8	32.0	very low
Figgie Intl Holdings	11	16.3	11.0	0.6	3.2	17	1.1	7.0	1	11.3	–6.4	high
Fuqua Industries	12	15.9	27.6	1.5	5.6	22	–16.4	18.5		NM	–7.8	NM
W R Grace	13	15.4	8.9	0.6	2.6	9	7.0	9.9	10	–0.6	23.5	very low
Ogden	14	14.3	11.6	0.8	3.1	18	–0.8	0.3	11	–7.8	–22.7	average
Kidde	15	14.2	12.5	0.8	3.5	15	2.9	12.8	6	2.2	–5.5	very low
Signal Cos	16	12.6	10.4	0.1	1.7	7	10.1	7.0	13	–20.6	202.5	high
Allegheny International	17	12.1	8.0	0.8	1.2	4	16.9	0.6		NM	D-P	NM
Gulf & Western Inds	18	10.6	13.7	0.5	6.2	19	–0.9	13.3		NM	D-P	NM
Penn Central	19	9.1	1.9	0.2	0.8	1	34.6	0.4		NM	–52.1	NM
IC Industries	20	7.9	11.0	1.0	2.5	12	5.2	1.7	12	–8.9	152.8	low
Amfac	21	7.6	def	1.0	def	8	8.8	7.1		NM	D-D	NM
Chromalloy American	22	0.5	def	0.9	def	21	–11.1	2.1		NM	D-D	NM
Medians		**16.1**	**11.8**	**0.5**	**3.1**		**5.6**	**10.5**		**–8.3**	**9.0**	
Industry medians		**14.2**	**11.0**	**0.4**	**3.5**		**5.4**	**10.3**		**–1.7**	**17.0**	
All-industry medians		**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

ELECTRICAL EQUIPMENT

In 1983 these companies were on the sidelines—while consumer spending led the economic recovery. Last year, however, the good times came their way.

THESE 14 COMPANIES ARE MAKING UP for lost time. After weak performance in 1983, they enjoyed solid gains last year. The group moved up four notches on the Forbes profitability Yardsticks, which ranks electrical equipment eighth among the 42 industries surveyed in this issue. This showing is doubly impressive because these firms use very little leverage. Their median debt-to-equity ratio is a mere 0.1, one-fourth the all-industry figure.

Earnings growth was particularly strong. Last year electrical equipment manufacturers boosted their profits by 26.5%, even though price increases averaged only 1% to 3%. This reflects handsome industry sales gains and an impressive ability to cut costs. Despite the gains from 1983, however, 11 of the 14 firms in this Yardstick were unable to match their five-year profitability figures during the past 12 months.

Cyclical companies, such as Square D and General Signal, reported hefty earnings gains. Not surprisingly, they were the major beneficiaries of an upswing in nonresidential construction. Square D's 12-month sales, for example, grew by 24.3%—the best performance in the group. Its 12-month return on equity of 20.9% also leads the pack.

Most of these companies will continue to search for high-tech acquisitions. Square D wants to increase its exposure in electronics to 50% of revenues by 1990, up from 17%. Emerson Electric acquired SmithKline Beckman's industrial business last March and all of Micro Motion in July.

If the economic growth slows this year, electrical equipment manufacturers will be hard-pressed to match 1984's healthy gains. There are other worries on the horizon, too. Industry executives fret about the Treasury Department's tax proposals. Most of these companies benefit from accelerated depreciation and investment tax credits. If Congress changes these incentives, the recent upsurge in capital spending could end. And, temporarily at least, this might send the industry into a tailspin. ■

Electrical equipment

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Emerson Electric		1	21.8%	20.5%	0.1	8.7%	5	10.0%	20.2%	3	8.9%	15.4%	very high
Square D	82/ 94	2	20.9	20.9	0.3	5.5	6	9.4	24.3	11	−4.2	71.3	low
Cooper Industries	41/ 57	3	20.8	7.9	0.1	3.8	1	20.0	6.4	13	−12.6	101.0	low
General Electric	25/ 24	4	20.4	19.6	0.1	7.6	12	6.2	2.1	2	10.0	12.2	very high
Natl Service Ind	32/ 23	5	19.9	18.4	0.0	5.9	8	8.6	14.6	1	12.6	11.1	very high
Harvey Hubbell		6	18.4	17.4	0.0	7.7	7	8.8	10.1	4	8.7	31.9	high
W W Grainger		7	17.8	16.0	0.1	5.9	11	6.7	22.9	7	4.0	35.4	average
Raychem	87/ 95	8	17.6	10.9	0.1	5.9	2	18.7	8.1	6	7.3	−4.5	low
Westinghouse	NA/NA	9	15.8	15.0	0.1	4.7	10	8.2	4.5	5	8.0	25.4	high
General Signal	25/ 27	10	15.7	12.6	0.1	5.7	9	8.3	16.4	9	2.0	26.5	very low
Johnson Controls	62/ 53	11	15.7	16.6	0.3	4.5	3	14.4	7.7	8	3.2	12.9	low
McGraw-Edison	54/ 71	12	10.9	8.9	0.6	1.5	4	14.2	7.5	12	−11.6	27.9	low
Robertshaw Controls		13	9.2	19.8	0.2	4.2	14	3.1	16.4	10	−1.1	81.7	very low
Midland-Ross	47/ 93	14	8.4	6.3	0.6	def	13	3.8	13.3		NM	D-P	NM
Medians			**17.7**	**16.3**	**0.1**	**5.6**		**8.7**	**11.7**		**3.6**	**26.5**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**−0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc., Forbes

ELECTRIC UTILITIES

If you didn't have to mothball a partially completed plant, 1984 was a good time to be selling electricity. With construction expenses falling steadily, business might be even better this year.

While troubled companies like Consumers Power & Public Service of Indiana grappled with canceled nuclear installations, the rest of the utility industry enjoyed relative good fortune in 1984.

Sure, a special kind of bookkeeping helps utilities. They can capitalize funds used during construction and defer interest expenses, both of which boost reported profits. That is part of the reason this sector moved from 31st to 27th among 42 Forbes industry groups in five-year average return on equity. In addition, these 73 companies now enjoy a median long-term profitability of 13.6%. Results for the latest 12 months are an even better 15.5%.

Conservation isn't helping. Average annual expansion in demand for electricity through 1990 is now expected to be only 2% to 3%—roughly in step with increases in the gross national product. In the early Seventies, experts were looking for growth rates closer to 7%, often greater than gains in the GNP. So the industry is now burdened with

Electric utilities

Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Northeast												
United Illuminating	1	16.8%	17.6%	0.7	17.9%	4	16.0%	16.8%	2	12.8%	–2.7%	high
New England Elec System	2	15.7	18.2	1.5	9.7	17	12.0	10.7	4	11.2	6.4	very high
Commonwealth Energy	3	14.9	21.3	0.8	6.9	13	13.6	12.3	7	8.7	24.1	average
Long Island Lighting	4	14.9	16.7	1.0	20.4	7	15.4	12.5	14	3.0	7.5	high
NY State Electric & Gas	5	14.5	16.4	0.9	15.8	11	13.9	11.8	12	5.0	16.4	high
Central Hudson Gas & El	6	13.9	16.7	0.8	8.5	1	18.8	8.8	10	5.7	13.9	very high
Niagara Mohawk Power	7	13.9	16.7	0.8	11.9	6	15.8	7.2	6	8.9	9.1	high
Orange & Rockland Utils	~~8~~	13.5	14.6	0.7	6.9	8	14.8	5.0	9	5.8	8.4	high
Consolidated Edison	9	13.3	15.5	0.6	10.4	12	13.7	5.0	1	15.3	11.1	very high
Rochester Gas & Elec	10	13.2	16.3	0.9	11.4	3	16.2	7.3	5	10.2	14.6	high
Pennsylvania Power & Lt	11	13.1	13.2	0.9	23.7	18	10.6	36.0	17	1.6	2.3	low
Delmarva Power & Light	12	12.8	16.0	0.8	13.1	16	12.3	7.9	11	5.4	11.2	average
Northeast Utilities	13	12.7	20.3	1.5	11.7	2	17.9	12.4	3	12.1	23.8	high
Atlantic City Electric	14	12.6	14.0	0.8	12.8	5	15.9	9.1	13	4.9	–1.2	low
Philadelphia Electric	15	12.5	14.9	1.0	15.0	10	13.9	12.0	8	6.2	5.7	very high
Boston Edison	16	12.1	14.1	1.1	6.3	15	12.8	23.7	16	2.2	17.0	low
Public Service E&G	17	11.9	15.3	0.8	9.8	14	13.6	6.7	15	2.7	16.3	low
General Public Utils	18	3.4	7.3	1.3	2.7	9	14.3	7.7	18	–17.9	128.9	average
Medians		**13.2**	**16.2**	**0.9**	**11.5**		**14.1**	**9.9**		**5.7**	**11.2**	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

Wall Street appears to be losing some of its fear over this industry's problems. In the second quarter of 1984 utility stocks were priced at an average of 84% of book value. In the third, prices rose to 93%.

historically high overcapacity. Since many nuclear plants slated to come on-line in the Eighties aren't needed now, several companies had to make painful decisions: scrap or stop construction of near-complete facilities.

The strong economy has spurred consumption of electricity. In the second quarter of 1984 the Edison Electric Institute reports total residential kilowatt-hour sales rising 7.1%, commercial sales up 11.7%, industrial sales up by 5.8%—an overall increase of 8.1%. Utility executives realize these gains are short term but still help earnings.

For the next few years balance sheets and profit quality should improve with falling construction expenditures. As finances strengthen, discounts on dividend reinvestment plans are likely to be curtailed. Share buybacks, once rare in the industry, could become more commonplace. Debt burdens rose last year. In 1983 the median debt-to-equity for these companies was 0.8; in 1984 it moved up to 0.9.

Utilities have typically been oriented toward system growth. And no wonder—it means more plant and equipment, a larger rate base and higher earnings. But executives now often see diversification as a means to satisify the natural urge to get bigger and make more money.

In 1984 Indianapolis Power & Light became a holding company, IPALCO Enterprises. Florida Power & Light also plans to adopt this corporate format. Such restructuring makes acquisitions easier. PacifiCorp, formerly Pacific Power & Light, has expanded into telecommunications

Electric utilities

Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Midwest												
Iowa-Illinois Gas & El	1	18.0%	15.4%	0.9	11.6%	11	12.7%	16.2%	9	10.1%	–10.9%	high
Public Service Indiana	2	16.8	7.6	0.7	29.3	20	9.9	6.6	11	8.1	–50.8	high
Illinois Power	3	15.2	17.9	0.9	16.2	7	13.7	1.5	17	5.8	12.1	high
Kansas Power & Lt	4	15.2	19.2	0.9	9.7	1	19.3	151.1	8	10.3	22.8	high
Wisconsin Power & Lt	5	15.2	15.0	0.8	9.8	12	12.5	8.8	3	12.8	–0.8	very high
IPALCO Enterprises	6	14.8	15.7	1.0	15.8	25	6.4	8.2	13	7.9	2.2	average
Northern States Power	7	14.7	17.3	0.9	10.8	14	12.3	6.9	5	10.9	7.7	high
Iowa Resources	8	14.5	14.5	1.1	10.0	3	14.3	18.6	21	3.4	–2.4	average
Wisconsin Public Service	9	14.4	17.0	0.6	8.2	4	14.0	5.8	15	7.5	9.9	high
Kansas City Power & Lt	10	14.3	19.2	0.9	22.5	15	11.2	8.0	1	14.1	17.7	average
Cleveland Elec Illuminating	11	14.3	17.6	0.8	20.3	16	10.9	–0.8	10	8.6	14.6	high
Allegheny Power System	12	14.2	15.4	1.2	9.8	2	16.0	–1.6	2	13.8	4.6	very high
Wisconsin Elec Power	13	14.1	17.5	0.7	10.6	6	13.8	5.9	4	12.0	16.1	high
Cincinnati Gas & Elec	14	13.8	12.4	1.0	10.7	10	12.9	6.7	23	2.7	–16.1	low
Dayton Power & Light	15	13.7	11.5	1.0	12.9	8	13.3	9.5	7	10.7	–16.8	high
Union Electric	16	13.6	17.0	1.0	19.7	21	8.9	4.7	17	5.8	2.6	average
Central Illinois Pub Service	17	13.4	12.8	0.8	11.7	17	10.9	–2.6	19	5.6	–13.2	average
Commonwealth Edison	18	13.3	15.7	1.0	17.3	5	14.0	8.4	13	7.9	–3.2	average
Toledo Edison	19	13.2	15.5	1.0	25.4	22	8.7	5.8	20	5.2	6.2	average
Central Illinois Light	20	13.0	13.1	0.8	8.5	18	10.3	3.5	12	8.0	–5.4	high
Ohio Edison	21	13.0	17.0	1.3	18.0	13	12.4	8.1	6	10.8	23.7	high
Consumers Power	22	12.0	9.3	1.0	11.7	19	10.3	19.1	25	–0.6	–20.2	low
American Electric Power	23	11.8	14.2	1.6	9.8	9	13.1	17.9	24	0.0	33.8	very low
Duquesne Light	24	11.6	14.5	1.1	18.1	24	7.0	10.6	16	6.4	15.3	high
Detroit Edison	25	11.5	13.5	1.1	15.8	23	7.9	8.3	22	3.0	3.7	low
Medians		14.1	15.4	1.0	11.7		12.4	8.0		7.9	3.7	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

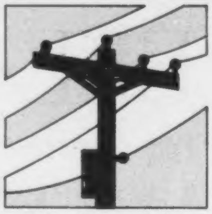
Sources: Media General Financial Services, Inc.; Forbes

and coal mining, areas that are growing faster than its utility operations. Most of the newly diversifying utilities have yet to derive major revenues from nonutility ventures. Still there is controversy over whether shareholders or rate payers should benefit from nonutility income.

Wall Street also appears to be losing some of its fear over the problems in this industry. Figures from Salomon Brothers show that in the second quarter of 1984 utility industry common stocks were priced at an average of 84% of book value. But during the third quarter, industry prices rose to 93% of book value.

The most profitable firm in the overall industry over the last five years is Southwestern Public Service, with an 18.4% long-term return on equity. Location is part of the explanation, since utilities in the region show the industry's highest five-year returns, 14.8%. Companies in the Southeast, where regulators take a more populist bent, are least profitable, with long-term returns of only 13%.

Richard Braatz, vice president of finance at EEI, warns of major supply shortages within the next ten years. The problem, he says, is that new facilities simply can't come on line quickly if shortages loom. Extending the useful life of aging plants will help. But new nuclear construction, requiring lead times of at least ten years, won't likely be started in this decade. Even coal plants take eight years to build. Alternative energy sources offer marginal help. So in ten years, Braatz predicts, these companies could once again be in the throes of crash construction programs. ■



Electric utilities

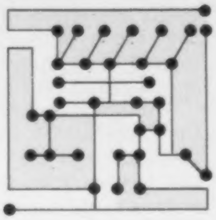
Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Southeast												
TECO Energy	1	15.1%	17.1%	1.0	11.0%	12	11.5%	8.5%	7	4.5%	15.5%	low
Duke Power	2	14.4	15.0	0.8	17.8	9	12.4	10.8	5	6.1	8.0	high
Middle South Utilities	3	13.8	16.0	1.7	13.0	6	13.7	7.6	12	1.3	18.7	very low
Baltimore Gas & Elec	4	13.1	17.0	0.8	13.2	8	12.5	8.1	4	7.3	23.8	high
Southern Company	4	13.1	18.0	1.6	11.0	5	14.0	13.9	1	12.6	28.2	high
Florida Power & Lt	6	13.1	12.7	1.0	9.4	1	15.6	20.1	10	2.7	–8.1	low
Potomac Electric Power	7	13.0	17.0	1.0	12.0	13	11.4	1.5	2	9.2	20.9	very high
Carolina Power & Lt	8	12.9	14.7	0.9	14.5	4	14.6	14.6	13	1.1	14.7	low
So Carolina Elec & Gas	9	12.7	16.7	0.9	10.7	2	15.5	14.1	11	2.5	26.1	low
Florida Progress	10	12.3	14.0	1.5	7.8	7	13.0	1.9	9	3.2	4.2	low
Louisville Gas & Elec	11	11.7	14.7	0.9	9.4	3	14.6	7.6	6	4.5	20.6	low
Kentucky Utilities	12	11.5	14.1	0.8	12.7	11	11.6	6.9	3	8.4	13.5	average
Dominion Resources	13	10.5	12.8	1.2	10.2	10	11.8	2.4	8	3.7	16.8	average
Medians		**13.0**	**15.0**	**1.0**	**11.0**		**13.0**	**8.1**		**4.5**	**16.8**	
Southwest												
Southwestern Public Service	1	18.4%	21.8%	1.0	13.1%	4	15.5%	11.1%	3	8.8%	8.9%	high
Texas Utilities	2	16.1	16.6	1.0	13.2	2	18.6	15.4	2	10.8	14.1	very high
Central & South West	3	15.5	15.8	0.8	10.2	3	15.7	7.2	4	6.4	18.1	very high
Arizona Public Service	4	14.8	14.9	0.8	24.7	6	14.6	9.3	6	3.0	3.2	average
Gulf States Utilities	5	14.2	15.1	1.0	16.0	5	15.1	7.8	5	5.5	–3.3	high
Houston Industries	6	13.8	15.9	1.0	7.6	1	25.2	7.7	7	–2.6	153.7	very low
Oklahoma Gas & Electric	7	12.9	14.5	0.8	12.1	7	13.5	8.1	1	10.9	–1.5	average
Medians		**14.8**	**15.8**	**1.0**	**13.1**		**15.5**	**8.1**		**6.4**	**8.9**	
West												
So California Edison	1	15.4%	17.1%	0.9	15.5%	7	15.0%	9.4%	3	10.7%	3.9%	high
Montana Power	2	15.0	9.1	1.0	18.1	10	10.3	3.9	4	10.4	–36.3	very high
PacifiCorp	3	14.6	18.6	1.2	17.3	1	21.9	11.8	5	9.6	10.5	high
San Diego Gas & Elec	4	14.4	17.3	0.9	12.2	2	21.1	5.4	2	14.0	12.1	average
Portland General Elec	5	14.0	19.2	0.9	27.7	6	15.2	20.4	1	22.8	46.0	high
Pacific Gas & Electric	6	13.3	15.0	0.8	11.9	9	14.7	8.3	6	7.1	8.1	average
Puget Sound Power & Lt	7	12.6	9.4	0.9	19.7	5	15.8	27.4	9	2.7	–9.6	very low
Utah Power & Lt	8	12.4	12.2	0.9	16.9	8	14.8	12.5	7	6.1	–9.9	average
Public Service Colorado	9	11.7	14.2	0.8	6.5	4	18.0	4.7	8	5.9	20.2	average
Hawaiian Electric Inds	10	10.2	12.8	1.0	5.0	3	19.8	7.0	10	–0.9	61.2	very low
Medians		**13.7**	**14.6**	**0.9**	**16.2**		**15.5**	**8.9**		**8.4**	**9.3**	
Industry medians		**13.6**	**15.5**	**0.9**	**12.0**		**13.8**	**8.2**		**6.4**	**9.9**	
All-industry medians		**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

ELECTRONICS



For semiconductor makers, 1984 began with a bang. It ended with a whimper. On balance, however, the year was so good that it may be impossible to beat in 1985.

William Ylvisaker, chairman of Gould Inc., was optimistic about the electronics industry when he addressed security analysts recently. "Capital goods cycles historically last three to five years," he explained. "We are now only about 1½ years into this growth cycle. Based on worldwide efforts to increase productivity, we expect high-technology capital goods spending to continue at a high level through the remainder of this decade."

The basis for this upbeat assessment is obvious from a glance at the accompanying Yardsticks. Last year 12 of the 30 electronics firms on our list managed to top their five-year profitability figures. A year earlier only 3 of the 25 firms outdid their five-year averages. No less crucial, only 4 of the 30 companies last year reported declines in earnings per share, and in some cases those declines weren't caused by electronics.

Defense electronics companies posted enviable increases, benefiting from the high defense spending of the Reagan Administration. The boom in personal computers also fueled sales. And capital spending on nondefense goods, the things Ylvisaker is talking about, significantly improved. But the critical semiconductor sector of the industry found itself on a seesaw.

Semiconductor makers began last year marveling at how quickly their market turned up. They ended the year shocked at how fast it went down. "This went from an incredibly positive environment to a near disaster," says Michael Lauer, an analyst with C.J. Lawrence. "Overly optimistic OEMs [original-equipment manufacturers] overbooked, paying big premiums. They ended up canceling orders or overbuilding inventories."

Customers are now holding off orders until they use up their bloated inventories. The book-to-bill ratio, the industry's often-cited index of health, collapsed to 0.61 by November, its lowest level since 1977, when the measure was established by the Semiconductor Industry Association. The ratio means that incoming orders are 61% of shipments. It takes a figure of 1.2 for the industry to maintain 15%-to-20% growth rates.

In this environment, no wonder Honeywell plans to lay off more than 1,000 employees at its moneylosing Synertek semiconductor operations. The company also says it will sell its semiconductor subsidiary, even after making the transition from the troubled market for videogame circuits to the more promising industrial chip market. Texas Instruments—in the midst of a dramatic recovery after posting a $145 million net loss the year earlier—also intends to lay off 2,000 employees.

Despite this bitter end, 1984 will still go into the record books as a fantastic year. Semiconductor shipments worldwide jumped by 45%, to $26 billion. Motorola racked up strong gains, with earnings rising 88.1%. Ditto for Intel,

Electronics

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Equipment													
EG&G	37/ 56	1	30.3%	24.5%	0.1	5.2%	5	15.4%	19.0%	2	20.4%	20.8%	very high
AMP		2	24.4	25.9	0.1	10.8	12	11.7	29.9	5	7.9	44.4	average
Raytheon	56/ 76	3	23.2	12.0	0.1	5.1	8	13.1	12.2	6	7.7	–23.6	high
Hewlett-Packard	48/ 54	4	20.1	23.0	0.0	9.2	3	21.9	28.3	1	20.6	53.3	very high
M/A-Com	36/ 55	5	19.7	9.8	0.3	4.6	1	51.0	20.6	3	15.7	25.0	average
Warner Comm	32/DD	6	19.7	def	0.6	def	2	25.4	61.7		NM	D-D	NM
General Instrument	62/ 97	7	18.8	5.3	0.0	4.0	14	10.8	9.6	10	2.3	–53.9	very low
TRW	47/ 49	8	18.4	16.3	0.2	3.7	18	6.7	10.3	12	–0.5	40.6	very low

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Sources: Media General Financial Services, Inc.; Forbes

where earnings rose by 170.4%, and National Semiconductor and Texas Instruments, which went from red ink to profitability.

Some firms, including General Instrument and Gould, were zapped because of their exposure to the troubled videogame industry. Take a look at GI, a major maker of commodity-type read-only memories (ROMs) used in videogames. Its basic electronics business, accounting for 62% of sales, brought in 97% of the profits. Its semiconductor operations, 38% of revenues, provided a measly 3% in profit in 1983. There was an improvement last year but not nearly enough to make a big difference.

Schlumberger tops the profitability chart, but not because of its Fairchild semiconductor operations. Fairchild hasn't earned a profit since being acquired in late 1979 and is a major reason the company's electronics makes so small a contribution to corporate profits. Instead, the long-term performance of Schlumberger's oilfield services business gives the company its high rank.

By far the biggest mover and shaker on the list this year is Advanced Micro Devices. It posted a 12-month return-on-equity of 47.1% and a 12-month sales increase of 97%, which beats every other electronics firm on the roster. Per-share earnings jumped an amazing 276.7%, second only to Zenith Electronics, where a 309.6% rise stems largely from a comparison with a disastrous quarter a year earlier.

AMD is expected to top $1 billion in sales when its fiscal year ends in March. Quite a record for a firm that didn't make the Yardsticks last year because its sales were below our benchmark. The firm zoomed forward, avoiding many of the problems hurting other semiconductor companies, largely because its product line contains many proprietary and specialized chips where there is less competition from Japan. That's why its profit margins of 12.2% are more than double the industry's median.

What will happen next year? The semiconductor association predicts a 22% rise in shipments for 1985, for total sales of over $32 billion. But one skeptical analyst calls that forecast "ridiculous." He doesn't foresee a gain of more than 5%, which would make 1984's impressive performance impossible to repeat. And even the SIA may be backing off: A spokeswoman explains the association's numbers were crunched in late August when the outlook was more favorable than it is at present.

Semiconductor manufacturers will probably have little to cheer about until the middle of this year. By then, overstocked inventories should reach normal levels. And customers should start placing orders again. ■

Electronics

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Perkin-Elmer	50/ 53	9	18.0%	13.9%	0.1	5.6%	10	12.8%	18.2%	7	5.2%	52.7%	low
Tektronix		10	16.7	17.1	0.2	8.9	6	14.7	14.5	14	–3.3	140.0	very low
General Signal	44/ 56	11	15.7	12.6	0.1	5.7	16	8.3	16.4	11	2.0	26.5	very low
Sun Chemical	25/ 37	11	15.7	7.0	0.8	1.3	7	13.4	19.3	16	–29.3	–25.8	average
Insilco	36/ 41	13	15.6	12.9	0.4	5.1	17	7.0	18.3	13	–2.3	1.6	very low
Honeywell	44/ 42	14	14.3	12.9	0.3	4.0	15	9.9	5.4	9	3.1	28.0	low
North Amer Philips		15	13.6	14.7	0.4	2.5	13	11.3	19.0	8	3.1	38.9	low
Amer District Tel		16	13.0	6.3	0.2	5.4	11	11.8	4.1	4	10.4	–52.6	high
Gould	73/ 76	17	11.1	9.1	0.3	4.8	22	–7.0	15.0	15	–16.6	7.2	high
RCA	27/ 11	18	10.8	10.5	0.7	2.7	20	5.4	10.9		NM	29.8	NM
Varian Associates	63/ 83	19	9.3	16.5	0.1	5.9	9	12.9	22.1		NM	27.1	NM
Eaton	54/ 25	20	6.5	23.5	0.4	3.5	21	–3.3	32.9		NM	D-P	NM
Zenith Electronics	63/NA	21	6.3	17.6	0.3	3.4	19	6.3	21.9		NM	309.6	NM
Oak Industries	75/NA	22	def	def	2.6	def	4	19.6	–7.3		NM	D-D	NM
Medians			**15.7**	**12.9**	**0.3**	**4.7**		**11.8**	**18.3**		**0.8**	**26.5**	
Semiconductors													
Schlumberger	39/ 5	1	33.6%	19.4%	0.1	19.7%	5	16.9%	4.3%	2	19.0%	0.8%	high
Advanced Micro		2	23.6	47.1	0.1	12.2	1	26.2	97.0	1	19.6	276.7	average
Intel		3	20.7	19.8	0.1	10.3	3	18.6	50.2	6	–2.7	170.4	very low
General Instrument	38/ 3	4	18.8	5.3	0.0	4.0	8	10.8	9.6	5	2.3	–53.9	very low
Avnet	77/ 79	5	17.9	15.6	0.2	5.3	9	6.1	37.5	4	5.0	53.4	low
Motorola	51/ 77	6	15.7	20.3	0.1	5.6	6	13.5	31.1	3	5.6	88.1	average
Natl Semiconductor	67/ 86	7	14.6	16.2	0.0	3.4	4	18.3	35.5		NM	D-P	NM
Texas Instruments	65/DD	8	10.6	27.4	0.2	def	7	11.6	25.9		NM	D-P	NM
Arrow Electronics	89/ 96	9	10.4	20.4	1.9	0.9	2	24.7	48.8		NM	D-P	NM
Medians			**17.9**	**19.8**	**0.1**	**5.3**		**16.9**	**35.5**		**2.3**	**70.8**	
Industry medians			**15.7**	**15.9**	**0.2**	**4.9**		**12.8**	**19.2**		**0.8**	**27.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

FINANCIAL SERVICES

VALID DATES
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JOHN E

Business was great last year for the folks who make small loans. But it was lousy for people who sell stocks and bonds. If things don't change, there may be lots of brokers lined up in front of the finance company.

ASK BRENDA DAVIS, an analyst at Mabon, Nugent, what she thinks of the brokerage industry's performance last year, and she emits a loud Bronx cheer.

The president of the Securities Industry Association, Edward O'Brien, is a bit more decorous but no less blunt. At the association's annual meeting in Florida, he called 1984 the worst year since 1977. The Yardsticks tell the tale: The median return on equity of these firms slumped to 10.3% for the most recent 12 months, compared with 29.5% for the same period one year earlier. Brokers, in fact, dragged down the entire financial services group, which showed a 13.6% decline in earnings during 1984.

Even the star of the industry, Student Loan Marketing Association, does well for special reasons. Sallie Mae is a financial intermediary with its own niche: It provides liquidity for government loans. The corporation's stellar 35.7% five-year return on equity is immune from broader industry trends.

Much of the securities firms' trouble stems from declining markets, which kept customers away from their brokers in droves. Lots of the profit vanished with them. Earnings at the six trading companies were down more than 50%. Revenues were up only 8.5%, a fraction of the five-year growth rate. None of the trading companies list-

Financial services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Financial services													
Student Loan		1	35.7%	28.9%	0.4	7.4%	1	70.9%	37.7%	1	60.1%	40.9%	high
American Express	61/133	2	21.1	10.3	0.7	5.3	3	19.7	25.6	4	4.4	–44.3	average
Equifax	89/ 97	3	20.5	21.9	0.3	3.8	7	8.8	4.5	2	10.9	7.3	high
Transamerica		4	15.1	7.6	1.2	3.8	9	4.6	9.5	7	–3.4	–35.6	low
Household Intl	14/ 49	5	11.4	14.6	2.3	2.6	4	12.4	4.3	6	–2.2	17.1	very low
Control Data	25/ 28	6	10.9	2.7	2.6	3.5	5	10.4	10.9	3	10.0	–68.6	high
Avco	45/ 52	7	10.9	10.0	2.2	3.7	6	9.7	6.7	8	–19.0	58.9	high
Gulf & Western	22/ 34	8	10.6	13.7	0.5	6.2	10	–0.9	13.3		NM	D-P	NM
Sears, Roebuck	28/ 44	9	10.2	14.4	0.8	3.6	8	7.7	12.8	5	3.8	18.0	low
Beneficial Corp	71/ 85	10	4.7	11.7	3.4	6.3	11	–3.9	14.0		NM	44.0	NM
Federal Natl Mortgage		11	def	def	3.4	0.9	2	19.9	5.4		NM	P-D	NM
Medians			**10.9**	**11.7**	**2.2**	**3.8**		**9.7**	**10.9**		**–2.2**	**12.2**	

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Sources: Media General Financial Services, Inc.; Forbes

ed in the Yardsticks came close to its five-year earnings average either, and all but two showed declines.

Merrill Lynch, for example, slashed overhead during the year, but even cost-cutting didn't prevent the nation's biggest broker from turning in the poorest performance. Its profits dropped more than 95%, the worst drubbing since the firm went public in 1971.

You could hear the same sad stories all over Wall Street. Beleaguered E.F. Hutton not only had to worry about trading profit declines, but the ghost of previous errors also came back to haunt third-quarter earnings. Hutton was forced to add $4 million to reserves to cover the single-premium deferred annuities it sold for now-bankrupt Baldwin-United.

The changing nature of the stock market, however, buoyed earnings at Phibro-Salomon and Donaldson, Lufkin & Jenrette. These brokers primarily serve institutional customers. As a result, they managed to post slim earnings gains. Phibro, for example, is a leading player in the burgeoning fields of mortgage-backed and government securities, which helped boost profits last year. Still, poor performance at Philipp Brothers, its commodity trading affiliate, hurt overall results.

First Boston doesn't deal with small investors either—and its reported profitability is deceptive, too. The current comparison is with unusually strong results posted during the recent bull market.

At DLJ, Alliance Capital, which manages money, contributed more than one-third of total profits. That helped push earnings up 6.5%, for the best gain in the business. Also, no doubt, Alliance helped attract Equitable Life Assurance, which agreed to pay $460 million to buy DLJ in November.

Reduced loan losses helped the financial services companies do better than their trading and brokerage counterparts. Still, only 3 of the 11 companies in this subgroup outperformed their five-year averages. Note, however, at every diversified company financial services operations contributed a higher share of profits than revenues.

Consider Equifax, which ranks second in the subgroup. Its financial control services division provides customer credit records for businesses, and this market got a boost from the consumer-driven recovery. The more people spend, the greater the demand for credit information, and Equifax has helped meet this demand by enlarging its network of credit bureaus in the U.S. and Canada. Profits have grown apace: Last year this segment of the company's operations accounted for 60% of the total earnings, up from 32% in 1982.

Sometimes, of course, good times can backfire. Over the past several years Household International has steadily increased margins at its consumer loan subsidiary by closing 25% of the firm's offices. That cut costs, but it also made the parent an attractive acquisition target. As a result, Household now hovers behind a controversial "poison pill" defense strategy, which management hopes will limit the firm's takeover appeal.

Avco, meanwhile, leads the pack in annual earnings growth with a gain of 58.9%—a remarkable performance in light of its sorry five-year record. This turnaround also drew outside attention. After staving off two takeover attempts last year, Avco accepted Textron's friendly $1.4 billion bid in December.

Even though 1984 was a good year for most finance companies, Control Data is leaving the field. It moved into consumer credit in 1968 to help fund the sale of computer products and smooth cyclical earnings swings. But now its traditional business is bad, and selling off financial operations will help raise cash.

While others slim down, the industry's giants still expand. American Express spent over $1.1 billion to buy Lehman Brothers and Investors Diversified Services last year. Even so, it racked up a 44.3% earnings decline and missed its impressive five-year profitability average by an even bigger margin. A 25% profit gain from its travel-related services division helped cushion the fall, as did low overhead at the Shearson Lehman division, but neither was enough to offset insurance troubles at Fireman's Fund.

Sears is also expanding by buying a bank in Delaware, and there is talk of a new proprietary credit card. Fortunately, it managed an above-average 18% earnings increase. But the gains came from better retailing margins, not from the commissions made by brokers at the Dean Witter kiosks in 300 Sears stores. ■

Financial services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Trading													
Phibro-Salomon	8/ 65	1	36.7%	20.7%	0.3	1.6%	6	23.7%	0.9%	5	22.5%	1.2%	average
E F Hutton	84/ 86	2	30.8	6.3	0.4	5.1	2	31.7	16.0	3	24.7	–75.2	high
First Boston		3	29.7	19.6	0.1	5.4	1	47.2	26.8	1	98.8	–28.4	high
Merrill Lynch	89/ 91	4	21.3	1.3	0.7	4.0	3	31.4	–1.0	4	23.5	–95.9	average
Paine Webber		5	19.6	3.8	0.5	5.9	4	30.8	0.8		NM	–86.1	NM
Donaldson, Lufkin		6	15.0	14.3	0.4	3.3	5	23.8	23.5	2	41.8	6.5	very high
Medians			25.5	10.3	0.4	4.5		31.1	8.5		24.1	–51.8	
Industry medians			15.1	11.7	0.7	3.8		19.7	10.9		4.4	–13.6	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

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Sources: Media General Financial Services, Inc.; Forbes

FOOD PROCESSORS

Take a long look at these companies. Several of them will not be here next year. And some of the best performers are those that haven't diversified.

THE LIST OF 57 COMPANIES in this industry will be a lot shorter in 1986. Takeovers among food processors have become as common as cents-off coupons. In the past year there have been more than a dozen. The moves range in size from Nestlé's $3 billion acquisition of Carnation to Dart & Kraft's estimated $25 million takeover of tiny Celestial Seasonings, a Colorado-based maker of herb teas.

What's more, the trend is continuing. Managements at food companies doing the buying seem to think it is cheaper to acquire existing brand names than to create new ones of their own. That is yet to be proved. But this much is certain: Burned by their attempts to diversify outside their basic industry, food processors are looking for acquisitions closer to home. The Forbes Yardsticks indicate that this is probably a smart strategy.

Consider the branded food subgroup, which includes such household names as Campbell Soup, Heinz and Pills-

Food processors

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —sector— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Commodities													
Savannah Foods		1	26.0%	20.2%	0.2	5.3%	4	11.0%	22.5%		NM	–24.9%	NM
ConAgra	56/ 42	2	26.0	16.9	0.6	1.6	1	35.6	64.4	1	14.6%	0.7	high
Pioneer Hi-Bred Intl		3	23.6	19.6	0.1	8.6	3	14.3	41.7	3	13.0	58.4	low
Ralston Purina	43/ 20	4	16.7	22.0	0.3	5.3	12	0.4	2.2	4	10.8	3.9	very low
Archer Daniels		5	16.3	7.3	0.3	2.4	2	18.3	4.3	2	14.2	–7.0	low
A E Staley Mfg		6	15.7	5.4	0.4	0.6	7	6.3	27.4	8	–6.3	306.5	very low
Intl Multifoods	63/ 53	7	14.7	10.9	0.4	3.1	8	3.1	3.6	5	10.2	–27.6	high
Kay	72/ 39	8	13.5	7.2	2.3	0.3	9	2.6	40.7		NM	–46.8	NM
Federal Co	74/ 82	9	13.1	20.8	0.2	3.2	5	9.9	17.3	6	–1.4	80.5	very low
DEKALB AgResearch	59/ 29	10	10.4	8.2	0.4	2.4	6	8.2	13.1	10	–17.0	121.5	average
Anderson, Clayton		11	9.7	4.7	0.1	2.5	10	2.3	18.2	7	–5.6	–19.4	very low
Central Soya		12	9.5	7.1	0.3	1.7	11	0.8	14.2	9	–8.2	–10.1	average
Medians			**15.2**	**9.6**	**0.3**	**2.4**		**7.3**	**17.8**		**–3.5**	**–3.2**	
Branded foods													
Kellogg		1	27.7%	25.4%	0.0	10.2%	19	7.5%	7.2%	10	11.1%	1.6%	very high
ConAgra	43/ 58	2	26.0	17.8	0.6	1.6	1	35.6	64.4	5	14.6	0.7	high
R J Reynolds Inds	39/ 21	3	24.6†	19.0	0.3	8.1	4	15.2‡	5.4	19	9.4‡	13.4	high
Dean Foods		4	23.5	23.3	0.3	2.6	6	14.6	11.5	1	20.7	23.5	very high
Chesebrough-Pond's	24/ 30	5	21.8	17.4	0.2	7.6	14	11.5	9.9	12	11.0	–5.1	high

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bury. Of the 35 companies here, 20 have diversified. But only a third have done so successfully. Of the 20, only 6 report that they are doing better outside their food business than they are inside.

But those firms are the exception. Companies like General Mills, General Foods and Hershey still make more money from things like cereals, coffee and chocolate than they do from their diversifications.

Look at the Yardsticks another way, and it is easy to see the less-than-thrilling profits that result when food processors move away from the mill. Compare the 20 branded food companies that have diversified with the group as a whole. All the companies in the branded foods subgroup posted a 17.4% return on equity last year. But the figure for diversified companies was only 16.2%. That lower return on equity was achieved on higher debt. For the entire group, debt-to-equity ratios averaged 30%. But at diversified companies this figure came to 40%. Borrowing, pre-

Food processors

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —sector— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Hershey Foods	67/ 80	6	19.9%	17.5%	0.2	5.9%	3	15.3%	10.4%	3	16.7%	11.7%	very high
Flowers Industries		7	19.9	18.7	0.4	3.7	10	12.7	14.6	6	13.4	12.9	very high
H J Heinz		8	19.5	22.0	0.3	6.0	11	12.7	7.0	2	17.1	15.8	very high
General Mills	48/ 56	9	19.1	17.5	0.3	4.2	12	11.7	1.1	7	13.2	–10.6	very high
Nabisco Brands		10	19.1	17.7	0.3	5.4	21	5.6	6.8	9	12.9	8.4	very high
PepsiCo	30/ 54	11	18.9	11.2	0.5	3.6	9	13.3	17.9	25	2.6	19.8	low
Curtice-Burns		12	18.3	20.1	1.7	1.6	5	14.8	23.0	11	11.0	19.6	high
Carnation	82/ 82	13	18.0	18.0	0.1	5.8	20	5.6	2.7	13	11.0	8.6	very high
CPC International		14	17.8	10.5	0.2	3.4	26	4.2	7.4	26	1.0	–34.8	very low
Pillsbury	42/ 39	15	17.6	17.4	0.5	4.1	2	16.4	12.0	18	9.7	17.6	very high
Consolidated Foods	49/ 47	16	17.2	20.3	0.3	2.7	13	11.7	–0.2	8	12.9	13.3	very high
McCormick		17	17.1	28.7	0.3	5.4	8	14.2	4.1	4	15.5	104.9	high
General Foods	88/ 94	18	16.8	17.4	0.4	3.7	15	10.4	4.3	22	4.3	21.0	low
Ralston Purina	38/ 62	19	16.7	22.0	0.3	5.3	33	0.4	2.2	14	10.8	3.9	very low
Universal Foods		20	16.6	10.2	0.4	4.0	7	14.3	11.2	15	10.6	–41.2	average
Gerber Products	84/ 92	21	16.2	16.2	0.2	6.2	18	9.1	10.5	17	10.1	14.8	high
Quaker Oats	76/ 79	22	15.3	19.5	0.3	4.1	17	9.6	25.4	27	–1.5	117.2	very low
Wm Wrigley Jr		23	15.0	16.7	0.0	6.7	22	5.4	2.0	24	3.1	9.5	low
Dart & Kraft	68/ 58	24	14.9	15.4	0.2	4.5	25	5.1	1.5	23	4.1	8.7	average
Campbell Soup		25	14.9	16.6	0.2	5.2	16	10.3	11.1	21	6.5	15.8	high
Beatrice	78/ 67	26	14.8	22.2	0.4	4.6	26	4.2	9.9	31	–11.9	500.0+	very low
Intl Multifoods	34/ 38	27	14.7	10.9	0.4	3.1	29	3.1	3.6	16	10.2	–27.6	high
Borden	69/ 62	28	12.9	13.8	0.3	4.4	30	1.1	9.8	20	9.1	11.7	very high
American Maize	77/ 90	29	8.3	9.2	0.6	1.1	32	0.7	20.4	28	–8.7	192.6	very low
Di Giorgio	23/ 42	29	8.3	2.9	1.0	0.8	31	0.9	20.2	30	–9.3	–45.3	high
IC Industries	41/ 54	31	7.9	11.0	1.0	2.5	24	5.2	1.7	29	–8.9	152.8	low
Castle & Cooke		32	2.4	def	0.8	def	28	3.6	1.7		NM	P-D	NM
United Brands		33	1.2	6.3	0.8	1.4	35	–1.1	–3.1		NM	D-P	NM
American Bakeries		34	def	11.5	0.5	0.7	34	–0.7	–0.4		NM	D-P	NM
Interstate Bakeries		35	def	def	0.7	def	23	5.4	5.1		NM	D-D	NM
Medians			**16.8**	**17.4**	**0.3**	**4.1**		**9.1**	**7.2**		**9.7**	**11.7**	
Meatpacking													
Occidental Petroleum	34/ 3	1	33.2%	13.8%	0.6	2.5%	2	24.5%	–16.9%		NM	D-P	NM
Smithfield Foods		2	17.8†	5.6	2.0	0.4	1	34.8‡	–6.8	4	–23.5%‡	–77.2%	average
Swift Independent		3	17.0	12.2	0.7	0.9	6	6.5	10.9		NM	–33.3	NM
Idle Wild Foods		4	15.8	7.3	0.3	0.7	7	4.9	24.1	3	–4.7	1.7	very low
George A Hormel		5	14.5	11.2	0.3	2.0	9	2.3	2.6	1	3.5	5.9	low
Tyson Foods		6	14.4	27.2	1.2	1.8	4	16.9	24.3	2	3.3	64.1	very low
Monfort of Colorado		7	12.5	23.4	0.2	1.2	3	21.7	8.5		NM	0.0	NM
Thorn Apple Valley		8	11.8	3.0	1.1	0.3	5	10.2	–4.1		NM	–84.5	NM
Wilson Foods		9	def	def	1.7	def	10	–0.3	–13.5		NM	D-D	NM
Rath Packing		10	def	def	5.5	def	8	3.5	–39.1		NM	D-D	NM
Medians			**14.5**	**9.3**	**0.9**	**0.8**		**8.4**	**–0.8**		**NM**	**–33.3**	
Industry medians			**16.0**	**15.8**	**0.3**	**2.9**		**8.6**	**9.2**		**3.2**	**8.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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sumably, is how they financed those costly acquisitions.

The comparisons hold in other areas. Five-year earnings-per-share gains for all branded food companies averaged 9.7%. Diversified companies did half as well. It is not only a short-lived phenomenon, either. The companies that diversified also underperform the group on five-year return on equity. It is not surprising that, among the top ten branded food companies, firms that have not diversified are overrepresented. Think of the industry along these lines, and it is no shock at all that venerable Kellogg of Battle Creek, which makes Corn Flakes, Rice Krispies and Froot Loops, tops the long-term profitability roster.

Results like these are enough to give a food company's planners second thoughts about moving into cosmetics or toys and games, apparel or restaurants. Sure, diversification can improve a company's image. After all, manufacturing food does not give you the status of a rock star nor does it have the glamour of genetic engineering. But history seems to indicate that, for these companies, straying far afield doesn't do all that much for the bottom line.

So, back to fundamentals—and the timing couldn't be better. Commodity prices are expected to be lower in 1985 and nonfood costs are stable. The 1984 corn harvest was up 81%, versus a depressed level for the previous year. The supply of soybeans should climb 5%, and recently its price was down 30%, corn prices were off 22% and wheat was about the same as it was a year ago.

This is good news for Archer-Daniels-Midland and other companies that process soybeans, corn and flour. It means they can use more of their capacity and reduce unit costs. That ought to improve their profitability, and it should also mean lower ingredient costs for companies that use their output as raw materials.

All this probably means that the industry's net margins will improve even more. But food processors are already on a roll. Margins increased to 2.9% this year, thanks to cost-cutting measures triggered by the recent recession. The margin gains also give packaged food companies more marketing money, of course. That lets them fight even harder for space on the grocer's shelf.

Given the appetizing short-term outlook and the dubious long-term results of diversification, expect food processors planning acquisitions to shop close to home. ■

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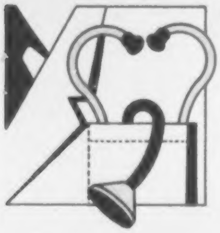
HEALTH CARE



The new guidelines designed to limit Medicare costs are causing substantial problems for these companies. Optimists, however, say that the worst may be over.

REVENUES ARE DOWN SUBSTANTIALLY, but health care companies are finding ways to earn more on each sale. That seems to be the result of the health care industry's first year under new federal legislation designed to reduce Medicare costs.

As the Yardsticks show, sales in 1984 were 30% less than the industry's five-year average. Earnings were also off substantially, but they did not fall so far. Thanks to cost-cutting and tighter controls, however, these companies managed to hold net margins at 7.6%—the same as last year's median.

In 1985 look for health care companies to continue to grope for ways of dealing with the new diagnosis related groups (DRG) guidelines, imposed by the federal government in October 1983. Under the rules, which are being phased in over three years, hospitals are no longer reimbursed by Medicare for all reasonable costs. Instead, they receive a fixed payment determined by the patient's diagnosis. If actual costs exceed the DRG payment, the hospital must make up the difference. However, if the final bill is less than the government's allocation, the hospital keeps the difference. This gives hospitals, even nonprofit ones, a major incentive to trim costs.

The change has led to patients' staying fewer days in

Health care

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Drugs													
FoxMeyer		1	64.1%†	11.6%	0.3	1.1%	1	42.1%‡	43.5%	2	24.1%‡	5.3%	high
Bergen Brunswig	80E/80E	2	41.1	14.7	0.1	1.3	2	26.1	20.1	1	25.1	–3.3	very high
SmithKline	51/ 68	3	35.7	24.5	0.0	17.3	3	22.8	0.4	6	15.7	4.8	very high
American Home	60/ 77	4	34.0	32.9	0.0	12.9	13	9.9	12.7	9	12.6	11.6	very high
Bindley Western		5	33.8	13.3	0.0	0.6	4	20.3	14.7	3	20.9	8.5	very high
Abbott Labs	54/ 61	6	24.6	27.2	0.3	11.9	6	15.2	7.4	5	17.8	18.5	very high
Bristol-Myers	38/ 42	7	23.3	24.2	0.1	10.4	14	9.8	7.4	8	14.1	15.9	very high
Merck	81/ 92	8	22.8	19.8	0.2	13.9	12	9.9	8.5	14	6.8	8.6	high
Rorer Group	62/ 67	9	22.4	19.9	0.2	8.9	5	16.1	16.9	15	6.5	7.2	high
Eli Lilly	56/ 82	10	22.2	23.0	0.0	15.1	10	10.3	2.8	12	9.0	13.5	very high
G D Searle		11	20.8	20.7	0.2	16.0	23	2.5	0.9	4	17.9	1.0	very high
Johnson & Johnson	34/ 12	12	19.9	15.6	0.1	8.2	7	11.2	2.8	11	10.3	–5.7	high

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hospitals, and that translates to less revenue for the makers of hospital supplies and hospital management companies. In fact, only one hospital management company—American Medical International—managed to outperform its five-year earnings average.

The drug companies are adversely affected, too, since they receive about 20% of their revenues from hospitals. Shorter patient stays mean fewer drugs used. Hospitals are also insisting on lower prices from suppliers—and switching to generics wherever possible—to stay within the DRG guidelines. The result has been price-cutting, which hurts profits. Note, for example, the unusual 5.7% earnings decline at Johnson & Johnson.

So much for the bad news. The good news is that all health care companies have had a year's experience dealing with DRGs, and they now know what to expect. Drug prices have slowed—for the moment, anyway.

The new regulations also have forced many companies to take a hard look at the way they do business. Hospital Corp. of America, for example, launched major cost-cutting campaigns. And at American Hospital Supply, management moved more production to tax-sheltered Puerto Rico, which boosts net income.

Executives at other firms are studying the way DRG reimbursements will alter health care delivery. Their goal is to reposition themselves to succeed in the new market. Shorter hospital stays will mean more reliance on precise testing and in-home care. One result: Baxter Travenol is expanding into home health care. Bergen Brunswig also completed what is surely one of the nation's most unusual mergers; it plans to combine with National Intergroup, which makes steel and operates thrift institutions.

In studying these Yardsticks, note that nearly all 40 companies have room to maneuver. By almost any measure, performance is well above average. The group is fourth among all 42 industries in terms of five-year return on equity. Aside from the five firms in the capital-intensive hospital management field, debt is unusually low. ■

Health care

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Upjohn	66/ 96	13	19.4%	16.4%	0.5	8.0%	17	8.0%	11.2%	17	1.3%	13.6%	very low
Pfizer	62/ 88	14	18.7	22.8	0.2	11.9	15	9.2	7.1	10	11.3	15.7	high
Schering-Plough	55/ 61	15	17.8	13.7	0.1	10.5	11	10.0	0.2	19	–2.5	–3.6	low
Bausch & Lomb		16	16.7	15.0	0.3	7.5	21	3.5	39.2	21	–3.4	33.9	very low
Revlon	53/ 62	17	16.6	11.9	0.5	4.7	9	10.5	1.6	24	–10.5	43.2	average
Sterling Drug	46/ 48	18	16.4	15.5	0.1	7.2	18	7.3	0.0	13	6.8	6.9	high
McKesson	57/ 40	19	15.8	12.6	0.3	1.6	19	4.8	14.0	20	–3.2	–0.3	low
A H Robins		20	15.5	9.7	0.1	10.3	16	8.9	11.3	7	14.3	–41.4	average
Squibb	59/ 72	21	14.0	15.5	0.2	9.8	22	3.1	5.2	16	3.9	11.6	low
Becton, Dickinson	84/ 95	22	12.9	10.6	0.5	3.2	8	10.7	0.7	22	–4.8	77.2	very low
Amer Cyanamid	27/ 49	23	11.7	13.7	0.3	4.7	20	4.5	10.0	18	–0.9	45.6	very low
Warner-Lambert	NA/NA	24	10.1	15.6	0.4	6.5	24	1.1	2.8	23	–5.9	14.0	very low
Medians			**19.7**	**15.5**	**0.2**	**8.6**		**9.9**	**7.4**		**7.9**	**10.1**	
Health care													
SmithKline	29/ 7	1	35.7%	24.5%	0.0	17.3%	1	22.8%	0.4%	3	15.7%	4.8%	very high
Abbott Labs	45/ 38	2	24.6	27.2	0.3	11.9	3	15.2	7.4	1	17.8	18.5	very high
Bristol-Myers	26/ 30	3	23.3	24.2	0.1	10.4	8	9.8	7.4	4	14.1	15.9	very high
Rorer Group	37/ 32	4	22.4	19.9	0.2	8.9	2	16.1	16.9	6	6.5	7.2	high
Whittaker	59/ 94	5	20.4	15.0	0.4	2.3	5	13.7	–6.0	8	3.5	58.1	very low
Alco Standard	24/ 15	6	19.4	15.5	0.4	2.0	6	13.0	23.6	7	4.2	5.6	average
Baxter Travenol		7	18.7	15.7	0.2	11.8	7	12.6	0.2	2	17.2	–15.2	very high
Amer Hospital		8	18.0	16.5	0.1	6.4	4	13.9	4.9	5	14.1	3.3	high
Corning Glass	33/ 33	9	11.6	5.6	0.3	5.8	9	4.6	8.8	10	–10.1	–23.6	average
Warner-Lambert	NA/NA	10	10.1	15.6	0.4	6.5	10	1.1	2.8	9	–5.9	14.0	very low
Sybron	84/ 77	11	4.0	def	0.5	def	11	–3.1	–9.5		NM	D-D	NM
Medians			**19.4**	**15.7**	**0.3**	**6.5**		**13.0**	**4.9**		**6.5**	**5.6**	
Hospital management													
Humana		1	38.3%	30.8%	1.6	9.1%	5	21.2%	11.1%	1	47.0%	20.2%	very high
Amer Medical		2	23.8	28.3	1.4	7.6	4	33.1	11.5	5	24.5	1.9	very high
Beverly Enter		3	22.9	11.5	2.1	3.2	1	55.3	29.0	4	25.7	18.2	very high
Natl Medical Enter		4	22.6	18.0	1.2	5.9	2	54.8	15.5	2	32.4	17.4	very high
Hospital Corp		5	21.6	18.2	1.1	7.6	3	39.8	6.7	3	29.1	20.9	very high
Medians			**22.9**	**18.2**	**1.4**	**7.6**		**39.8**	**11.5**		**29.1**	**18.2**	
Industry medians			**19.9**	**15.6**	**0.3**	**7.6**		**10.5**	**7.4**		**10.3**	**8.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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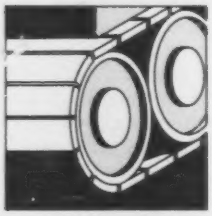
Sources: Media General Financial Services, Inc.; Forbes

HEAVY EQUIPMENT



Business is bad, and this industry is digging in. Despite the slump, however, strong firms are picking up weak ones. And troubled companies are bolstering their balance sheets.

THE ECONOMIC RECOVERY continues to elude the heavy equipment industry. For the latest 12 months, these 14 firms show a negative return on equity. In terms of five-year profitability, the group weighs in with a low 2.5%. Only the auto industry has a weaker record.

Look first at the agricultural equipment subgroup, which has been hurting since the government's 1983 payment-in-kind program reduced farm output. With fewer acres to tend, farmers weren't eager to replace equipment. Last year government policy changed and plantings increased, but commodity prices remained depressed.

That left implement producers in a bind. They had lots of inventory and their customers didn't have much money. The result was a costly round of price-cutting and below-market financing. Also, the strong dollar and lower energy and minerals prices limited Third World sales.

The effect of all this was dramatic: International Harvester plans to leave the farm equipment business by selling its agricultural operations to Tenneco's Case division for about $430 million. Harvester, which has lost money since 1980, will retain about $1 billion in tax-loss carryforwards and will have some $500 million in write-offs. By concentrating on its profitable heavy truck and diesel engine operations, the company hopes to become profitable this year.

But this consolidation threatens already-weakened Allis-Chalmers and Massey-Ferguson, two firms also in the diesel market. Allis has lost money four years in a row. It shut down tractor and combine operations late in 1984 and will not reopen them until sometime in the first quarter of 1985. The company is also talking to creditors about restructuring its debt.

Meanwhile, Massey-Ferguson may earn a few pennies per share in 1984. But this is little consolation after losing almost $1 billion since 1978. The company has had two capital restructurings during the last four years, and its common shares have ballooned from 18.3 million in 1980 to over 100 million today. More than 19 million warrants are likely to dilute stockholders' equity even more.

John Deere, the world's largest producer of farm equipment, is troubled, too. But it's doing lots better than the competition. Deere has a five-year average return on equity of 8.8%. But for the most recent 12 months, that figure dropped to only 5.7%.

The austerity measures in effect at Deere illustrate the industry's plight. At the moment, the firm is cutting 1,00

Heavy equipment

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Agricultural													
Deere	83/157	1	8.8%	5.7%	0.5	0.6%	1	−1.2%	6.4%	1	−40.9%	D-P	high
Allis-Chalmers	39/DD	2	def	def	0.7	def	2	−5.9	2.7		NM	D-D	NM
Intl Harvester	37/DD	3	def	NE	5.3	def	4	−13.3	−2.3		NM	D-D	NM
Massey-Ferguson	80E/NA	4	def	NE	6.1	def	3	−12.0	−15.9		NM	D-D	NM
Medians			**def**	**NE**	**3.0**	**def**		**−9.0**	**0.2**		**NM**	**D-D**	

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Sources: Media General Financial Services, Inc.; Forbes

employees from its salaried staff. It also is spending heavily to help its nationwide network of dealers finance bulging inventories. This means that even when demand picks up, new orders won't immediately flow in.

The strong dollar and foreign competition also have hurt companies that make construction and mining equipment. Weakness in the oil patch has reduced income at those firms that sell in energy-related markets. To boost bottom lines, meanwhile, executives in this industry have pruned operations, turned toward foreign sourcing and broadened their product lines by making acquisitions.

Although Wyman-Gordon leads this subgroup with a five-year average return on equity of 20.6%, only 42% of its sales come from construction and mining equipment. The situation at American Hoist & Derrick indicates the depth of the downturn. Until 1982 it made money for 43 years in a row. Since then the company has lost money.

Caterpillar Tractor, the largest heavy equipment builder, also has lost money since 1982. It isn't likely to report a profit for 1984, either. Revenues rose 44.9% during the last 12 months. But the strength of the dollar is limiting Caterpillar's recovery. In the third quarter of last year U.S. sales increased 14%, but foreign sales declined 6%.

The austerity moves at Caterpillar parallel those at John Deere. It is laying off employees and closing facilities. But the company has a strong enough balance sheet that it can still concentrate on its strengths. To that end, Cat is currently emphasizing research and development.

Over the next few years, the company has plans to introduce as many as 50 new or improved products. Since business is tough all over the world, Caterpillar executives reason, creating new models now will give them the jump on the competition when good times return. The strategy is to create more up-to-date versions of existing machines and to introduce equipment that serves specialty markets.

These areas, which Cat often has shunned because of the limited sales potential, can provide unusual profit margins. "When business was good, we couldn't build the big machines fast enough," says a company official. "Now we're not doing anything brand new. We're simply building smaller versions of our traditional equipment—new wheel-type and track-type excavators, for example, that are good for small-scale utility construction."

In other markets, however, the downturn has been less severe. Amsted Industries, which ranks third in the building and mining subgroup in terms of long-term profitability, has weathered the falloff in demand better than competitors. Profits returned to this railroad equipment maker in 1984, after a loss in 1983. Amsted also has one of the industry's cleanest balance sheets.

More good news comes from Clark Equipment, which managed a 66.3% jump in earnings over the last 12 months. It acquired Euclid, a manufacturer of heavy trucks from Daimler-Benz. Clark is also phasing out production in Cleveland and has made sourcing changes in a redesigned line of forklift trucks.

These products are Clark's traditional mainstay, and Clark is a market leader. Lately tough competition has forced the company to cut prices on many of its older models. This hurts profits. In the other areas of the business, however, Clark's position is less strong—and it often winds up the victim in the war between the industry's two giants, Caterpillar and Japan's Komatsu.

Then there is fourth-ranked Ampco-Pittsburgh, which is diversifying out of its heavy dependence on railroad equipment. In 1984 it acquired Vulcan Inc., a manufacturer of ingot molds and materials handling equipment, and Union Electric Steel. Ampco should show profits in fiscal 1984—the first time since 1981.

Because of repeated losses over the last half-decade, neither Harnischfeger nor Pettibone gets a rating for five-year profitability. During the last 12 months, however, Harnischfeger made money. It now plans to import its construction cranes from Kobe Steel of Japan. Pettibone, meanwhile, remains the most leveraged company of the group. Its debt-to-equity ratio is a staggering 7.9. ■

Heavy equipment

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Building and mining													
Wyman-Gordon	42/NA	1	20.6%	13.3%	0.1	12.2%	3	2.1%	5.1%	1	17.8%	2.8%	average
Joy Manufacturing	89/ 89	2	13.3	6.5	0.1	0.5	4	1.4	7.6	2	–27.1	500.0+	very low
Amsted Industries	28/DD	3	13.1	6.8	0.0	def	8	–7.8	27.8		NM	D-P	NM
Ampco-Pittsburgh	47/PD	4	8.6	1.8	0.8	def	1	9.8	51.6		NM	D-P	NM
Caterpillar Tractor		5	7.7	def	0.6	def	5	–5.2	44.9		NM	D-D	NM
Bucyrus-Erie	58/DP	6	2.8	def	0.2	def	2	2.6	–27.9		NM	D-D	NM
Clark Equipment	78/ 2	7	2.2	5.8	0.3	1.4	10	–12.1	37.1		NM	66.3	NM
Amer Hoist		8	0.2	def	0.7	def	5	–5.2	–6.6		NM	D-D	NM
Harnischfeger		9	def	2.5	1.4	def	7	–7.5	8.2		NM	D-P	NM
Pettibone	83/DD	10	def	def	7.9	def	9	–11.0	5.0		NM	D-D	NM
Medians			5.2	2.2	0.4	def		–5.2	7.9		NM	D-D	
Industry medians			2.5	def	0.6	def		–5.5	5.8		NM	D-D	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

INDUSTRIAL MACHINERY

Capital spending is what keeps these companies humming. It took off last year, but something unusual happened: The benefits weren't as lavish as they should have been.

LAST YEAR there was a major capital spending boom. Overall corporate investment jumped by 25%, the largest increase in well over a decade. Traditional logic dictates that when this happens, earnings and sales of machinery makers rise. In 1984 that wasn't the case. Sure, most of these companies posted improved results. But almost no one was enjoying a boom.

That's because of a major, though gradual, change in the economy. Last year a large, although unquantifiable, amount of capital was spent for office automation. The beneficiaries tend to be service sector companies in telecommunications and electronics—not smokestack producers of industrial equipment.

The strong dollar, which makes imports cheaper, also hurt. "The tool and die companies also are sitting on their hands because the orders from manufacturers are not going into Pittsburgh, Dallas, Cleveland and Detroit," says Kenneth Goldstein, a Conference Board economist. "They're going into Yokohama, Seoul and Taiwan."

Drawing conclusions about this industry from the Yardsticks is difficult. That's because the 48 companies that appear here serve wildly diverse markets. Many—like W.W. Grainger, which sells electric motors, or Timken, which makes roller bearings—are highly specialized. Others are broadly diversified.

The companies that top the profitability rankings tend to be conglomerates like Litton and Teledyne. Or they tend to dominate small markets. Briggs & Stratton does well building small gasoline engines for lawn mowers and garden tractors. Stanadyne owes its top performance to water faucets and diesel fuel injection pumps—but GM's ending production of diesel cars will hurt next year.

Companies that haven't successfully diversified or specialized tend to perform far less well. Consider Peabody International, which has a five-year average return on equity of 2.4%, one-fifth of the industry median. Peabody is a haphazardly diversified company, and its various business segments do little to offset one another's cyclical ups

Industrial machinery

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Teledyne	25/ 31	1	25.8%	12.0%	0.2	10.2%	24	3.7%	19.5%	4	8.8%	28.9%	average
Litton Industries	26/ 23	2	25.5	17.4	0.1	6.8	14	5.9	16.3		NM	35.3	NM
Dover	40/ 39	3	25.0	19.9	0.1	7.7	3	14.7	19.5	1	13.3	33.3	average
Sundstrand	37/ 8	4	21.3	11.9	0.2	4.9	18	4.7	7.6	18	–3.4	31.7	very low
Foster Wheeler	46/ 57	5	21.1	9.1	0.1	2.9	32	0.5	–13.7	9	2.0	–33.1	very low
Cooper Industries	58/ 42	6	20.8	7.9	0.1	3.8	1	20.0	6.4	26	–12.6	101.0	low
Ametek		7	20.3	23.8	0.3	7.2	13	5.9	17.7	3	9.0	35.2	high
Halliburton	33/ 8	8	18.3	9.6	0.2	5.7	26	2.6	–5.6	15	–0.3	4.3	very low
Briggs & Stratton		9	18.2	15.3	0.0	5.2	20	4.3	32.2	19	–5.9	80.9	low
Illinois Tool Works		10	17.5	16.5	0.0	10.0	12	6.8	21.2	7	4.8	15.5	average
Tyler	51/ 68	11	16.7	20.4	1.2	1.9	2	19.9	48.5	20	–7.7	125.6	low
Combustion Eng		12	16.6	def	0.1	def	11	7.0	–2.6		NM	P-D	NM
Zurn Industries	88/ 73	13	16.6	9.5	0.2	3.3	27	2.5	0.1	16	–1.6	–9.9	very low
Emhart	51/ 53	14	16.5	18.4	0.3	5.0	21	3.9	9.1	6	5.7	16.3	average
Tecumseh Products		15	16.4	18.0	0.0	6.7	36	–0.9	19.7	13	0.0	44.4	very low

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

and downs. Result: In good times or bad, Peabody seldom does well in this Yardstick.

Next consider General Refractories, which has had a negative return on equity over the past five years. GR had the misfortune of producing furnace-lining materials for the rapidly declining steel industry. It lost money for 11 consecutive quarters until reporting a tiny profit in the final quarter of 1983. Its 12-month profitability figure (at 61% the highest of all the companies in the group) looks good only because three consecutive years of losses all but wiped out the company's equity base.

Looking back at the Yardsticks a decade ago, you discover numerous companies that have disappeared from the roster, such as Chicago Bridge & Iron and Wean United. The 1975 profitability leader, Briggs & Stratton, however, is still up there with the best, while Midland-Ross, ten years later, remains stuck near the bottom.

Ingersoll-Rand displays one of the most dramatic falls. In 1975 it was a stellar performer with a five-year return on equity of 16.2%. Now the firm ranks 41st in terms of profitability in this group of 48 companies, and its return on equity is exactly half the former level. Our 12-month figures, which show an earnings deficit, include a $4.38 per share charge taken in 1983's fourth quarter because of a corporate restructuring. One of the reasons for I-R's downfall is its early Seventies bet on a boom in capital spending. Since it never came, the company was stuck with major overcapacity.

To evaluate the performance of many of these other firms, it is necessary to understand what happened last year in the machine tool market. Orders totaled $2.9 billion, a 70% rise over 1983's $1.7 billion. That was the good news. But the bad news is that the current figure is still a long way from the record $5.6 billion year that the industry enjoyed in 1979.

Worse still, imports hit alltime highs in 1984. They accounted for nearly 40% of all domestic sales in terms of value. Not only did the equipment rush in from Japan,

Industrial machinery

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Parker-Hannifin	56/ 57	16	15.8%	16.6%	0.3	5.5%	7	9.0%	27.5%	21	−8.0%	114.2%	low
General Signal	29/ 16	17	15.7	12.6	0.1	5.7	9	8.3	16.4	10	2.0	26.5	very low
Cincinnati Milacron		18	15.5	5.0	0.3	def	37	−1.3	18.7		NM	D-P	NM
Stanadyne		19	15.3	21.6	0.1	5.9	34	−0.3	36.2	11	1.8	105.1	very low
Kaman	41/ 25	20	14.7	18.4	0.4	2.7	5	11.5	19.6	2	10.5	39.8	high
Stanley Works	37/ 37	21	14.7	16.3	0.2	5.4	16	5.0	16.7	17	−2.0	55.8	very low
Norton	79/ 91	22	14.0	9.8	0.3	4.0	25	3.4	4.9	28	−17.0	103.9	low
Ex-Cell-O	32/DP	23	14.0	11.8	0.1	5.2	17	4.8	15.0	18	3.4	5.9	low
Hoover Universal	31/ 35	24	13.4	18.0	0.5	4.2	23	3.8	10.2	14	−0.1	17.0	very low
Harsco	50/ 35	25	13.3	10.0	0.3	3.3	30	1.0	17.7	22	−9.2	38.9	low
Amsted Industries	30/DD	26	13.1	6.8	0.0	def	46	−7.8	27.8		NM	D-P	NM
Textron	36/ 14	27	12.1	8.6	0.2	3.0	40	−2.4	9.6	25	−12.2	24.7	average
Easco	33/ 1	28	11.9	def	0.5	1.9	8	8.7	14.7	12	0.7	P-D	very low
Foxboro		29	11.2	1.9	0.1	1.5	10	7.1	1.8	29	−17.1	−40.2	low
Colt Industries	58/ 29	30	11.2	28.0	0.3	6.3	42	−4.7	22.3		NM	72.1	NM
McGraw-Edison	29/ 14	31	10.9	8.9	0.6	1.5	4	14.2	7.5	23	−11.6	27.9	low
Eagle-Picher	67/ 54	32	9.8	12.0	0.3	2.9	35	−0.3	32.1	27	−14.9	121.8	high
McDermott Intl	63/ 56	33	9.2	3.1	0.5	3.9	28	1.7	−7.0	5	7.1	−58.2	very low
Stewart & Stevenson		34	9.1	def	0.6	def	15	5.5	−13.8		NM	D-D	NM
Unidynamics		35	8.9	12.3	0.6	1.7	33	0.4	24.2	30	−22.0	461.1	very high
Research-Cottrell	87/192	36	8.8	2.2	0.3	0.7	6	10.9	−6.0	24	−12.1	−39.2	low
Timken	72/DP	37	8.5	6.5	0.1	0.1	41	−4.2	29.2		NM	D-P	NM
Midland-Ross	52/ 7	38	8.4	6.3	0.6	def	22	3.8	13.3		NM	D-P	NM
Rexnord		39	8.4	7.3	0.4	0.5	38	−1.4	14.5	33	−43.8	500.0+	very high
Stewart-Warner	79/ 71	40	8.2	6.1	0.0	2.0	43	−5.5	14.2	31	−25.9	169.5	high
Ingersoll-Rand		41	8.1	def	0.6	def	31	0.7	2.3		NM	D-D	NM
AMF	36/ 52	42	7.2	1.5	0.4	def	45	−7.3	14.3		NM	D-P	NM
Dayco	62/ 53	43	7.0	12.2	1.2	0.6	29	1.2	28.5	32	−37.6	500.0+	high
Peabody Intl		44	2.4	def	0.3	1.9	19	4.3	−7.6		NM	P-D	NM
Chromalloy Amer	32/PD	45	0.5	def	0.9	def	48	−11.1	2.1		NM	D-D	NM
Chicago Pneumatic		46	0.1	9.8	0.4	def	39	−2.0	11.7		NM	D-P	NM
General Refractories	85/ 37	47	def	61.0	5.7	def	47	−8.0	4.7		NM	D-P	NM
Allis-Chalmers	61/DD	48	def	def	0.7	def	44	−5.9	2.7		NM	D-D	NM
Industry medians			13.3	9.8	0.3	2.9		3.6	14.4		−12.2	28.9	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		−0.6	15.8	

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Sources: Media General Financial Services, Inc.; Forbes

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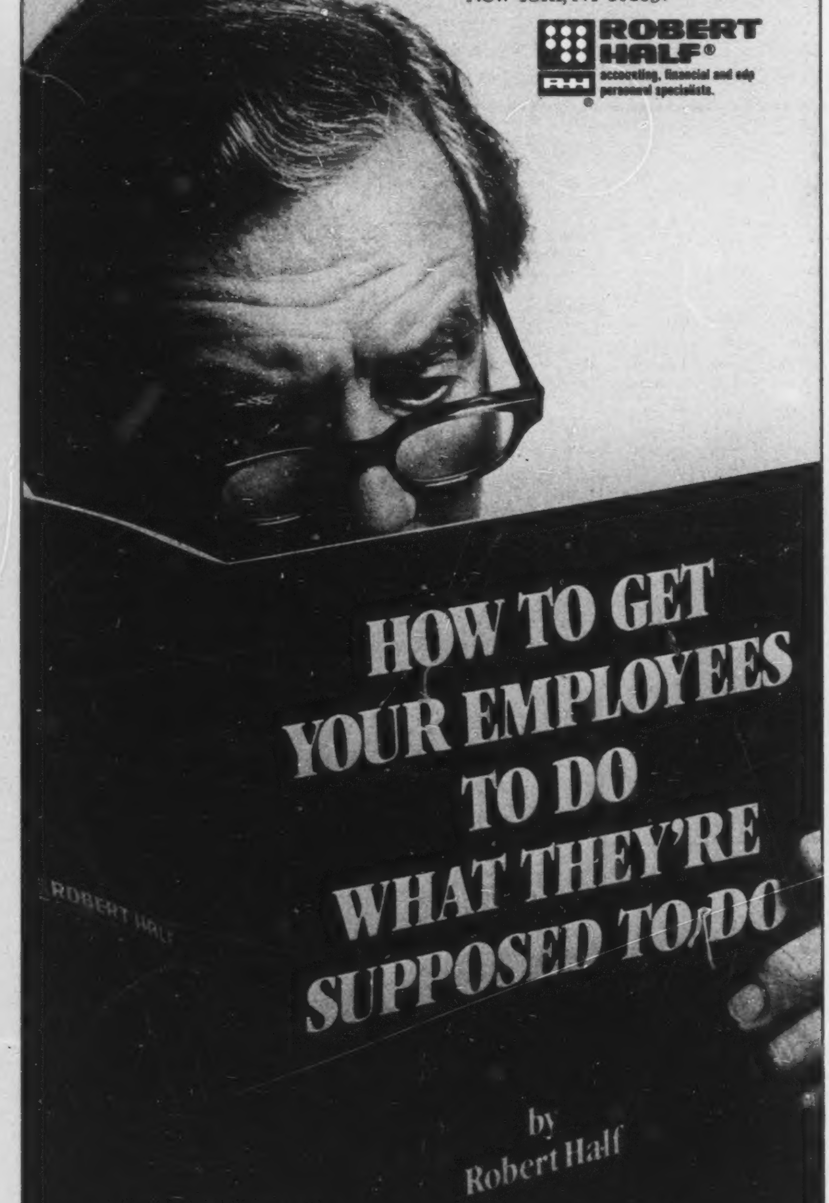
HOW TO GET YOUR EMPLOYEES TO DO WHAT THEY'RE SUPPOSED TO DO
by Robert Half
ROBERT HALF

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South Korea and Taiwan, but the strong dollar made European products more competitive, too. That's why Burk Kalweit, senior economist at the National Machine Tool Builders Association, calls 1984 "a recovery year with an asterisk beside it."

The disparity in costs between imported and domestic machinery these days is striking. The average value of a numerically controlled turning machine made in the U.S. last year was $135,000. A similar unit made in Japan cost a mere $63,000. A 30% price advantage for an import is not unusual, which explains why U.S. manufacturers have such a tough time selling against them.

The alternative is to diversify. And many traditional machine tool makers are doing just that. Ex-Cell-O is becoming more deeply involved in aerospace, defense and automotive components. Cross & Trecker acquired Bendix Automation last year, a move that may help it become a major player in the rapidly emerging field of flexible manufacturing systems.

A prime example of this trend is Rexnord, the old-line, nuts-and-bolts machinery company based outside Milwaukee. In the past year Rexnord, which has traditional businesses that include power-transmission devices and industrial fasteners, snapped up six companies in an effort to move into higher-technology markets. The latest acquisition came in December, when Chairman Robert Krikorian paid $107 million for Electronic Modules Corp. The firm, which has sales of $65 million, makes computerized control systems for the energy, chemical, steel, food and pharmaceutical industries. "It moves us toward our goal of becoming a major participant in the growing process controls market," says Krikorian.

Even in nuts-and-bolts businesses, of course, the news isn't all bad. The machine tool industry's order backlog now stands at $1.9 billion, and it will take at least eight months for producers to fulfill these commitments. That's why many industry number-crunchers are looking for a reasonably good 1985. Optimists predict a 35% rise in machine tool orders. The Conference Board's Goldstein expects capital spending to grow by 12% as companies continue to invest in more cost-efficient production capacity. "It's nothing to sneeze at," he says, "because that increase would come on top of a very strong year."

This time, maybe the folks who make machinery will get a bigger share. ■

INSURANCE

This is a cyclical business, and these companies have been down for five years. But there are signs of a turnaround. Property and casualty premiums are rising, and new products are revitalizing life insurers.

PICKING INSURANCE companies isn't a beauty contest, it's a relative ugliness contest. Just take a glance at the Forbes Yardsticks. For the most recent 12 months, earnings at these 47 companies declined by 2.9%—bad even in comparison with the industry's long-term growth rate of 0.3%.

After two years of economic recovery, however, insurers may finally have hit bottom. One factor fueling the incipient renaissance: price-strengthening. Premiums for property and casualty coverage climbed as much as 15% in the second half of last year. Good—but too late to show up on most income statements.

But trouble is still in the news. The ongoing fiasco at Fireman's Fund dragged down all of American Express. And at Chubb, earnings approached an eight-year low. The firm's big problem is medical malpractice insurance. Chubb stopped issuing these policies last May, but the coverage accounted for more than one quarter of its underwriting losses for the first half of last year.

In fact, only 2 of the 11 property and casualty companies beat their five-year earnings records. GEICO, the nation's tenth-largest auto insurer, kept claims costs low by focusing on motorists with good records. It also minimizes marketing expenses by using direct mail or telephones—bypassing the pricier system of selling through independent agents. At Berkshire Hathaway, meanwhile, the good times had more to do with Chairman Warren Buffett's stock-picking prowess than selling insurance.

Fewer than half of the 18 multiline firms topped their five-year earnings growth rates. Like their property and casualty counterparts, these companies suffered from soft pricing. But here, too, it paid to bypass agents. By selling directly to customers, Farmers Group bettered its long-term growth rate by more than 50%.

Insurance

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Brokers													
Marsh & McLennan		1	28.6%	15.4%	0.0	12.8%	1	16.8%	12.2%	1	6.5%	–32.1%	high
Alexander & Alex		2	24.2	def	0.7	def	2	14.4	–4.6		NM	D-D	NM
Medians			**26.4**	**6.0**	**0.3**	**5.8**		**15.6**	**3.8**		**NM**	**D-D**	
Diversified													
Teledyne	29/NA	1	25.8%	12.0%	0.2	10.2%	17	3.7%	19.5%	5	8.8%	28.9%	average
Fremont General		2	23.7	def	0.8	def	1	23.1	31.8		NM	D-D	NM
Amer International		3	21.9	14.6	0.2	10.7	8	15.2	7.9	1	17.1	–14.4	very high
General Re		4	21.5	9.8	0.0	11.6	5	15.7	10.5	3	13.2	–39.3	high
Loews	62/ 18	5	21.4	19.2	0.3	7.7	14	7.5	5.6	2	16.5	12.0	high
Old Republic Intl		6	21.0	19.6	0.2	12.5	12	8.5	49.0	7	3.8	6.7	average
Combined Intl		7	20.5	19.7	0.0	10.3	4	16.1	2.0	8	3.4	16.9	low
CNA Financial		8	19.1	11.5	0.0	6.2	15	6.6	12.9	14	–4.4	–2.9	very low
Farmers Group		9	18.5	16.9	0.0	17.1	7	15.2	14.8	4	9.2	14.6	very high
American General		10	17.5	15.5	0.2	7.3	3	16.8	33.5	6	6.2	–5.2	high

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Sources: Media General Financial Services, Inc.; Forbes

Companies that use agents, meanwhile, are getting tough. Continental began cutting out marginal representatives to boost profits in 1983, and now the idea has caught on at Aetna and St. Paul. Still, all three of these companies fell behind their five-year returns on equity in 1984.

Insurance brokers should get a boost from price strengthening even before the underwriters. But, unfortunately, the two firms in this subgroup had problems that pricing couldn't solve. Hundreds of millions of dollars lost in bond trades sent Marsh & McLennan reeling, and Alexander & Alexander is still under the shadow of its bad British acquisition.

In the life insurance industry, the mood is different. Five years after the cycle that began with the introduction of interest-rate-sensitive universal life products, signs of health are finally back. Last year these companies showed impressive earnings growth and solid profitability. But the situation may not be so sweet in 1985. Corporate health care customers can already see these improved results, and they will surely want givebacks on premium pricing. ■

Insurance

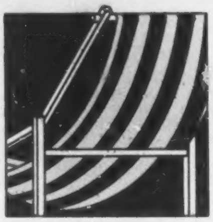
Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Kemper		11	16.5%	3.5%	0.2	3.1%	2	18.7%	3.6%	15	–5.7%	–58.8%	average
Transamerica	68/ 29	12	15.1	7.6	1.2	3.8	16	4.6	9.5	13	–3.4	–35.6	low
Safeco		13	14.6	13.0	0.3	8.1	10	9.5	12.5	12	–2.6	43.3	very low
Aetna Life & Cas		14	14.4	4.8	0.1	2.3	13	8.3	2.0	16	–15.2	–49.9	high
Travelers		15	14.2	10.9	0.0	2.9	9	11.1	9.6	11	–2.5	–0.3	average
ITT	25/ 29	16	13.1	7.9	0.5	4.4	18	–1.9	9.0	9	2.4	–26.7	very low
Colonial Penn		17	11.3	14.7	0.0	3.8	6	15.3	3.6		NM	12.7	NM
CIGNA		18	4.0	2.0	0.1	3.2	11	8.6	12.3	10	–2.4	–79.3	very low
Medians			**18.0**	**11.8**	**0.2**	**6.8**		**10.3**	**10.1**		**0.0**	**–4.1**	
Life and health													
Charter	18/PD	1	45.2%	def	0.6	def	7	15.4%	70.3%		NM	P-D	NM
First Executive		2	30.6	12.8%	0.0	3.3%	1	94.9	–1.4	1	61.2%	18.3%	very high
American Family		3	14.8	15.9	0.1	4.4	6	18.1	19.4	11	–5.0	45.3	low
Provident Life		4	14.8	14.5	0.0	7.8	13	5.4	22.6	4	5.8	30.9	average
Business Men's Assur	84/ 70	5	14.4	12.0	0.0	9.3	12	6.4	23.0	7	3.7	–1.0	low
USLIFE		6	14.2	9.8	0.3	8.3	10	7.7	12.7	9	0.9	–0.8	very low
Capital Holding		7	14.1	13.7	0.3	7.8	3	29.9	14.3	2	10.4	5.8	very high
Torchmark		8	13.2	15.7	0.1	8.6	4	26.9	14.4	3	10.3	26.9	high
Life Investors		9	13.1	11.9	0.2	4.3	5	23.5	14.1	6	4.4	15.9	low
Jefferson-Pilot	86/ 82	10	12.3	12.2	0.0	10.7	11	6.4	3.9	8	2.1	36.9	low
Amer National Ins		11	11.8	10.0	0.0	12.4	14	4.9	–1.3	5	5.3	0.3	average
Lincoln National	72/ 90	12	11.8	11.8	0.2	4.3	8	11.9	13.9	10	0.3	17.6	very low
Washington National		13	10.9	6.0	0.0	2.7	16	–1.3	–4.4	13	–9.8	–13.8	average
Equitable of Iowa	57/ 76	14	9.2	4.9	0.0	5.2	9	10.9	4.2	12	–5.1	–40.2	low
Northwestern Natl		15	8.9	9.7	0.4	2.2	2	38.1	35.5	14	–12.9	35.8	low
Kaufman & Broad	40/ 36	16	3.5	11.1	0.5	3.9	15	0.9	14.2		NM	500.0+	NM
Medians			**13.1**	**11.9**	**0.1**	**4.8**		**11.4**	**14.2**		**1.5**	**16.8**	
Property and casualty													
GEICO		1	36.3%	24.5%	0.4	10.9%	7	5.2%	11.9%	3	8.4%	18.4%	average
Mission Insurance		2	24.0	def	0.3	def	2	11.2	13.2		NM	P-D	NM
American Express	38/DP	3	21.1	10.3	0.7	5.3	1	19.7	25.6	4	4.4	–44.3	average
Ohio Casualty		4	18.6	5.6	0.0	5.9	8	4.9	7.1	7	–5.4	–51.4	average
Hanover Insurance		5	17.5	6.6	0.0	6.2	3	9.7	10.4	2	8.7	–45.9	average
USF&G		6	16.9	11.2	0.0	7.2	10	3.8	15.0	8	–10.2	–10.9	average
Chubb	73/ 32	7	15.7	6.9	0.2	4.8	4	9.5	13.4	6	–3.4	–44.2	low
St Paul Cos	85/ 35	8	15.1	def	0.1	5.5	6	8.0	20.0	5	–0.2	P-D	very low
City Investing	38/ 23	9	12.5	3.8	1.2	0.9	5	8.1	33.4	9	–26.6	–69.5	high
Berkshire Hathaway	34/ 29	10	9.8	7.0	0.1	12.8	11	2.8	21.0	1	15.1	21.6	average
Continental Corp	86/DD	11	8.6	0.9	0.1	0.4	9	4.5	24.6	10	–43.2	–52.7	very high
Medians			**16.9**	**6.6**	**[illegible].1**	**5.5**		**8.0**	**15.0**		**–3.4**	**–45.9**	
Industry medians			**15.1**	**10.9**	**0.1**	**5.5**		**9.5**	**12.9**		**0.3**	**–2.9**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

LEISURE AND RECREATION



It was anything but fun and games for most of these companies last year. And if you look behind many of the numbers, the results are even more somber than they seem.

THE LEISURE INDUSTRY has certainly seen better days, as this year's Yardsticks reveal. Taken as a whole, the industry's 12-month return on equity was 12.0%, while five-year averages were significantly better at 15.3%. These lower returns are no surprise to anyone who has tracked the industry's sales and earnings growth: While 12-month sales expanded by 13.5%, earnings over the same period actually fell by 6.3%.

In fact, of the six groups covered in the leisure and recreation sector, only recreational vehicles and recreation have gone against this general trend.

In the recreational vehicles subgroup, the companies listed had a median 12-month return of 23.6%, compared with a five-year return on equity of 7.7%. But don't take these figures at face value. With only three firms in the subgroup—Fleetwood Enterprises, Coachmen Industries and Skyline—the statistics are misleading. Skyline had lower 12-month returns than those for the five-year term. Coachmen had somewhat better recent returns, but its earnings per share actually fell by 13.4% over the 12-

Leisure and recreation

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Entertainment													
General Cinema	38/ 33	1	28.9%	87.8%	0.5	10.6%	5	9.6%	3.7%	1	34.6%	–25.4%	high
Bally Mfg	68/NA	2	20.9	0.4	1.0	0.5	2	34.8	17.1	6	–18.2	–92.1	very low
Warner Commun	47/PD	3	19.7	def	0.6	def	3	25.4	61.7		NM	D-D	NM
MCA	70/ 84	4	16.1	8.8	0.0	9.3	6	7.2	–4.9	2	2.4	–37.8	very low
CBS	46/ 36	5	15.3	16.5	0.2	4.2	7	5.6	15.9	5	–7.0	56.8	average
MGM/UA		6	11.6	9.4	1.2	5.4	1	39.5	–2.2	3	1.1	–11.5	very low
Walt Disney		7	10.9	1.5	0.2	7.1	4	11.2	26.7	4	–3.3	–77.4	low
Gulf & Western	28/ 27	8	10.6	13.7	0.5	6.2	8	–0.9	13.3		NM	D-P	NM
Medians			**15.7**	**9.1**	**0.5**	**5.8**		**10.4**	**14.6**		**–5.2**	**–37.8**	
Hotels and gaming													
Hilton Hotels		1	24.3%	14.7%	0.4	17.3%	7	7.2%	0.8%	3	5.4%	–11.6%	low
Resorts Intl		2	22.9	5.9	1.3	5.0	5	9.1	–3.3	7	–20.8	–25.5	average
Marriott	43/ 48	3	21.3	20.5	1.7	3.8	3	19.2	22.5	1	23.0	19.5	very high
Bally Mfg	32/NA	4	20.9	0.4	1.0	0.5	1	34.8	17.1	6	–18.2	–92.1	very low
MGM Grand		5	17.3	NE	1.5	5.5	9	4.2	5.3	5	–12.1	–25.9	high
Holiday Inns		6	15.1	12.5	0.5	7.8	8	6.8	12.9	2	8.6	8.6	low
Caesars World		7	13.3	13.6	1.3	3.0	2	27.7	9.4		NM	D-P	NM
Del E Webb	40/ 14	8	4.5	12.0	0.7	1.9	10	–8.2	47.4	8	–21.5	305.4	average
Ramada Inns		9	def	3.0	1.7	0.7	4	13.8	2.6		NM	D-P	NM
Transworld	38/ 37		NA	24.8	0.4	3.2	6	8.2‡	8.5	4	2.1‡	129.7	very low
Medians			**17.3**	**12.3**	**1.1**	**3.5**		**8.6**	**9.0**		**–15.2**	**–1.5**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

month period. That leaves Fleetwood, which alone of the three shows up well on the 12-month Yardsticks for earnings and returns.

Despite these problems the recreational vehicle companies can look at some of the other subindustry groups here with a certain smugness. The picture in toys and electronics is not fun. Coleco Industries and Tandy are at the top of this list, as they were last year. But there the similarity to 1983 ends.

Coleco, which had a 44.2% return on equity in 1983, lost money during the most recent 12-month period. Even Cabbage Patch dolls weren't profitable enough to offset the costs of its troubled personal computer business. Second-ranked Tandy saw earnings per share shrink by 4.8% while sales increased by 8.2%. This pulled its return on equity down from 29.3% in 1983 to 24.6% in 1984. Like Coleco, Tandy had difficulties in its once highly profitable home electronics business.

There were a number of similarly sad stories in the entertainment sector. General Cinema tops this list with five-year return on equity of 28.9% and an astonishing 87.8% return for the most recent 12 months. But any current return as high as this raises questions. For General Cinema the increase over the period was largely caused by a sizable drop in common equity. That drop came because of a large offering of convertible preferred stock. Allowing for this change, FORBES' calculations show the company's earnings actually dropping by 25.4% during the most recent 12 months.

The number two company in this group fared even worse. Had Bally Manufacturing been ranked on the basis of its 12-month returns instead of five-year figures, the company would have been solidly in last place. The company's losses from its arcade videogame operations accounted for a stunning 92.1% drop in earnings per share over the recent 12-month period and an 18.2% fall in earnings over the five-year span.

Things get little better farther down the list. Warner Communications lost money last year, and MCA saw earnings drop by 37.8%. It isn't until you get to CBS, which ranks fifth in terms of five-year profitability, that things seem finally to look pretty good. Its return picked up from 15.3% over the last five years to 16.5%—but much of the firm's recent gains may come from cost-cutting (FORBES, *Dec. 31, 1984*).

The mighty seem to have fallen in the hotels and gaming companies as well. Just as in entertainment, the companies ranked one and two (Hilton Hotels and Resorts International) had a sizable drop in earnings and return on equity from 1983. Both firms suffered decreasing returns on equity over the 12-month period, as compared with the last five years.

The two companies had different reasons for their difficulties. Hilton was particularly hurt by the long strike in Las Vegas, while Resorts faced an increasingly competitive market in Atlantic City. ■

Leisure and recreation

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Recreation													
Brunswick	70/ 73	1	17.4%	24.0%	0.3	5.4%	2	−0.6%	21.6%	1	36.9%	230.2%	average
Fuqua Industries	46/ 38	2	15.9	27.6	1.5	5.6	4	−16.4	18.5		NM	−7.8	NM
Outboard Marine	76/ 87	3	8.2	15.2	0.3	5.0	1	2.5	16.9	2	20.0	33.6	low
AMF	44/ 89	4	7.2	1.5	0.4	def	3	−7.3	14.3		NM	D-P	NM
Medians			12.0	19.6	0.3	5.2		−4.0	17.7		NM	33.6	
Recreational vehicles													
Fleetwood Enter	63/ 84	1	10.4%	31.8%	0.0	4.5%	2	0.3%	37.2%		NM	36.9%	NM
Coachmen Inds	88/ 96	2	7.7	23.6	0.1	4.8	1	12.4	26.0		NM	−13.4	NM
Skyline	34/142	3	7.1	6.6	0.0	2.1	3	−8.2	18.3	1	−16.3%	−1.4	average
Medians			7.7	23.6	0.0	4.5		0.3	26.0		NM	−1.4	
Photography													
Eastman Kodak	79/ 79	1	17.4%	11.1%	0.0	5.6%	1	8.4%	−2.0%	1	−5.5%	9.5%	very low
Polaroid		2	4.9	4.4	0.1	4.0	2	−1.9	2.4	2	−16.4	21.1	average
Medians			11.2	7.8	0.0	4.8		3.3	0.2		−11.0	15.3	
Toys and electronics													
Coleco Industries		1	50.0%	def	0.9	def	1	43.4%	13.6%		NM	P-D	NM
Tandy		2	49.4	24.6%	0.4	10.3%	3	18.6	8.2	2	33.5%	−4.8%	very high
Toys "R" Us		3	29.8	22.0	0.1	7.0	2	30.2	29.5	1	34.4	40.5	very high
Mattel		4	def	NE	NE	def	4	8.9	−23.3		NM	D-D	NM
Medians			39.6	−1.1	0.3	2.9		24.4	10.9		NM	P-D	
Industry medians			15.3	12.0	0.4	4.9		8.3	13.5		−14.2	−6.3	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		−0.6	15.8	

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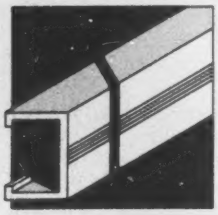
Sources: Media General Financial Services, Inc.; Forbes

METALS



Gloom and doom prevail at these companies, with nearly half running deficits. Steel imports are at record levels, and voluntary curbs aren't likely to stem the industry's decline.

THE FORBES YARDSTICKS for metals tell a sorry tale: 17 of the 38 companies in the group ran deficits, 16 others were unable to match or beat their five-year return on equity averages in the past 12 months, and only 5 improved on their five-year profitability figures. Among the 42 industries that were tracked by FORBES, metals ranked 37th in profitability.

There's little good news for producers of either steel or nonferrous metals. After some encouraging gains in the first half of the year, the steel industry began to crumble as imports rose to record levels, capturing 26% of the market. Operating losses for steelmakers averaged $10 per ton in 1984's second half. Steelmakers aren't expected to be at or above break-even until the second quarter of this year. The Reagan Administration rejected demands for new import quotas, preferring instead to seek voluntary reductions. Meanwhile, aluminum ingot spot prices collapsed to 50 cents per pound, from 75 cents, by year's end.

The best-performing companies tend to be smaller, specialized outfits. Profit-leader Worthington Industries, for example, boasts markets in processed steel for things like

Metals

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Nonferrous metals													
Engelhard	86/ 50	1	19.6%	10.7%	0.2	3.5%	4	8.3%	5.1%	1	10.6%	–30.3%	high
Handy & Harman	82/ 72	2	16.9	10.6	0.7	1.8	11	0.3	12.7	3	–7.7	61.3	very low
Newmont Mining	59/DP	3	14.7	2.6	0.1	7.3	12	–0.9	12.4	4	–9.6	–45.3	low
Alcan Aluminium		4	14.0	10.0	0.5	1.0	5	5.4	–2.6	5	–52.0	D-P	average
Easco	59/ 98	5	11.9	def	0.5	1.9	3	8.7	14.7	2	0.7	P-D	very low
Alcoa		6	11.7	11.5	0.5	3.1	6	3.4	20.3		NM	500.0+	NM
ASARCO	88/ 77	7	9.7	def	0.4	3.9	10	1.1	–1.4		NM	P-D	NM
Ampco-Pittsburgh	32/DD	8	8.6	1.8	0.8	def	1	9.8	51.6		NM	D-P	NM
Kaiser Aluminum	60/DD	9	8.2	1.2	0.9	def	8	2.1	41.7		NM	D-P	NM
Reynolds Metals		10	6.0	9.0	0.8	def	9	1.3	18.4		NM	D-P	NM
AMAX	57/DP	11	3.4	def	0.6	def	7	2.3	6.6		NM	D-D	NM
Phelps Dodge		12	2.4	def	0.6	def	13	–2.9	–3.2		NM	D-D	NM
Revere Copper		13	def	def	3.9	2.8	14	–6.6	25.8		NM	D-D	NM
Inspiration Res	53/DD	14	def	def	0.7	def	2	9.2	12.3		NM	D-D	NM
Inco		15	def	def	0.7	def	15	–14.4	32.0		NM	D-D	NM
Medians			**8.6**	**1.2**	**0.6**	**1.0**		**2.1**	**12.7**		**NM**	**P-D**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

component parts in consumer appliances and auto disk-braking systems. Nucor, number two on our list, has the advantage of a narrow product line and state-of-the-art equipment. Carpenter Technology focuses on specialty metals in narrow markets.

Some good news: Our 12-month figures disguise U.S. Steel's 1984 comeback because they include the 1983 fourth quarter, when losses of $9.70 per share were reported. U.S. Steel moved solidly into the black last year, thanks to a major corporate restructuring. Since the end of 1982 the company has shut down one-fifth of its capacity and axed 50% of its administrative work force.

Today steel accounts for only 35% of the company's total revenues. "I think that we have weathered this storm well," says Chairman David Roderick, "but we have no illusions that we aren't still in stormy waters. We're going to have to be very careful to keep the rigging tight so we stay on a straight course."

Expect additional manpower and wage reductions as well as further restructuring in the industry this year. Steelmakers, which often have weak balance sheets, are likely to continue to sell assets to reduce debt. Nucor is a major exception. With $100 million in cash, it is searching for an acquisition in the flat-rolled-steel sector. "We have a lot of cash and an ability to borrow money, something that a lot of companies in our industry don't have," boasts Samuel Siegel, its chief financial officer.

Roderick and other executives at old-line companies believe that more restructuring is necessary for survival. "The industry still needs rationalization both in its integrated steel production and in its raw material sources," he explains. "There's no question in my mind that you'll also continue to see mergers of some producers. You'll see companies fail unless they do merge."

One problem that compounds the industry's troubles is the trend among domestic manufacturers to source products from abroad. Take Detroit's automakers, one of steel's largest customers. Foreign sourcing will account for the equivalent of at least 1.3 million assembled vehicles by 1988, up from only 240,000 in 1983, estimates John Tumazos, an analyst with Oppenheimer & Co. That represents an annual loss of up to 1.5 million tons of steel consumption in autos alone. "We expect roughly equal losses in the machinery sector and in capital goods," says Tumazos.

The outlook for 1985? The steel industry should break into the black in the second quarter as seasonal demand improves and excess inventories become depleted. Capacity utilization might even reach 75% by spring, up from under 60% at year-end. Production, predicts Tumazos, should be up to 78 million tons, from 75 million in 1984. Not bad, unless you remember that the figure was over 100 million in 1979. ■

Metals

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Steel													
Worthington Inds	71/ 82	1	27.7%	21.9%	0.4	4.9%	1	18.8%	36.3%	1	7.5%	43.7%	average
Nucor		2	24.4	14.9	0.2	5.1	2	10.0	27.4	5	–6.2	55.4	low
Carpenter Tech		3	15.1	11.5	0.4	6.3	8	0.9	33.7	6	–11.8	78.3	low
Commercial Metals		4	15.0	8.4	0.2	0.9	7	2.7	36.6	2	–1.1	20.0	very low
LTV	64/DD	5	14.4	def	1.3	def	4	5.2	64.8		NM	D-D	NM
Earle M Jorgensen		6	13.9	6.5	0.1	3.1	16	–5.4	27.2	7	–14.1	84.4	low
Central Steel		7	12.0	13.1	0.0	2.5	15	–5.3	38.7	4	–6.2	30.7	low
Athlone Inds	50/DP	8	9.0	7.0	1.2	def	10	–2.6	27.2		NM	D-P	NM
Timken	27/NM	9	8.5	6.5	0.1	0.1	12	–4.2	29.2		NM	D-P	NM
Interlake	79/ 85	10	7.9	11.8	0.4	2.7	13	–4.5	21.2	3	–2.1	243.3	very low
Copperweld		11	7.4	5.1	0.5	def	14	–5.1	50.8		NM	D-P	NM
Northwestern Steel		12	5.3	def	0.2	def	22	–13.3	22.4		NM	D-D	NM
Cyclops		13	4.2	8.8	0.5	def	5	3.7	27.7		NM	D-P	NM
Lukens	72/DD	14	1.6	0.3	0.7	def	6	3.4	16.4		NM	D-P	NM
National-Standard		15	1.3	8.3	0.2	def	19	–5.7	22.1		NM	D-P	NM
Inland Steel		16	def	def	0.7	def	11	–2.7	25.4		NM	D-D	NM
U S Steel	30/DP	17	def	def	1.3	def	3	10.0	11.5		NM	D-D	NM
Armco		18	def	def	0.6	def	9	0.5	6.7		NM	D-D	NM
Wheeling-Pittsburgh		19	def	def	1.3	def	20	–9.3	43.9		NM	D-D	NM
NVF	47/ 76	20	def	def	5.7	def	23	–17.2	46.0		NM	D-D	NM
Natl Intergroup	81/DD	21	def	def	0.6	def	18	–5.6	1.7		NM	P-D	NM
Bethlehem Steel	89/ 89	22	def	def	0.9	def	17	–5.6	20.0		NM	D-D	NM
Keystone Consol	85/PD		NA	def	0.2	def	21	–10.6‡‡	–6.8		NM	D-D	NM
Medians			**6.3**	**5.1**	**0.5**	**def**		**–4.2**	**27.2**		**NM**	**D-D**	
Industry medians			**–7.9**	**1.5**	**0.5**	**def**		**0.4**	**22.3**		**NM**	**D-D**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡‡Three-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

NATURAL GAS UTILITIES

Falling prices and tough competition hurt many of these companies last year. But a few also enjoyed a pleasant windfall: rate increases from state regulators.

BUSINESS AT THESE companies ought to be very steady, and at first glance that's the impression the Yardsticks give. After all, natural gas distributors posted a 12-month return on equity of 15.3%, which is slightly better than their five-year average. But note that only 2 of the 12 companies in this subgroup have earnings stability rated high or very high. On the other hand, 8 have earnings stability that is low or very low. The reasons for such unpredictability? Natural gas sales are affected by such capricious factors as the weather, consumer demand and state regulators.

The top company in the subgroup is a petfect example. Arkla, with markets in Arkansas, Louisiana, Texas, Oklahoma and Kansas, suffered a 23.1% drop in earnings, while sales rose by 3.4%. As a result, its return on equity fell from 19.2% over the last five years to 12.1% in 1984. No major problems here. Simply weak demand for natural gas.

The results were somewhat different at Peoples Energy, which serves the Chicago area. A cold winter provided a much-needed boost and that, coupled with a surge in industrial activity in the area, gave the company a strong 65.6% earnings gain. Those profits helped pull return on equity up from 11.7% in 1983 to 19.3% in 1984.

Like the distributors, the integrated companies—those that combine elements of production, transportation and distribution—ended the year with strong industry medians. Last year's return on equity was a solid 16.2%, up from 15.1% over the last five years. But here, too, the medians don't really tell the story.

The first company in the subgroup appears to have done quite well. Entex, which serves markets in Texas, Louisiana and Mississippi, had a return on equity that increased

Natural gas utilities

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Distributors													
Arkla	84/ 92	1	19.2%	12.1%	1.1	4.6%	2	20.0%	3.4%	5	6.1%	−23.1%	low
Brooklyn Union Gas		2	15.9	15.6	0.7	5.2	5	19.6	10.4	4	9.1	2.9	very high
Diversified Energies		3	15.8	22.1	0.5	3.0	4	19.8	11.3	6	4.0	60.6	low
Peoples Energy		4	14.5	19.3	0.9	3.0	12	10.1	13.9	8	−2.0	65.6	very low
NICOR	86/114	5	13.3	6.3	0.7	2.2	11	12.1	10.8	11	−15.9	94.1	average
Laclede Gas		6	13.2	20.1	0.6	2.6	9	13.5	4.9	7	2.6	75.0	low
Eastern Gas & Fuel	47/ 72	7	13.0	13.3	0.6	3.6	10	13.4	8.7	1	20.7	51.0	low
UGI		8	11.1	7.7	0.7	0.7	1	24.9	1.7	12	−42.1	472.7	low
Washington Gas Light		9	11.1	15.0	0.9	3.8	6	19.0	11.8	3	10.1	20.0	high
WICOR	80/ 85	10	10.5	17.5	1.0	2.4	3	20.0	10.5	9	−5.2	101.3	low
No Indiana Public Svc	52/ 17	11	9.0	11.8	1.0	7.0	7	14.9	9.7	10	−5.3	12.5	low
Primark		12	5.7	16.2	1.1	1.6	8	14.0	21.3	2	16.1	216.5	average
Medians			**13.1**	**15.3**	**0.9**	**3.0**		**17.0**	**10.5**		**3.3**	**63.1**	

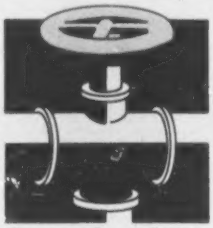
DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

from 19.7% in 1983 to 21.3% last year. But look closely and all is not rosy. Its earnings went up by only 0.7% on a sales increase of 9.9%. Earnings from natural gas operations didn't even do that well. The company confirms they actually declined during the period.

ENSERCH, the subgroup's number three company, had even worse earnings difficulties last year. Its profits fell by 30.5%. As you would expect, returns dropped in tandem, from 18.2% over five years and 9.6% in 1983 to 6.5% last year—the worst performance of all the 13 integrated companies shown here. ENSERCH's trouble came largely because of a price crunch last summer. It usually moves lots of natural gas that is sold to electric utilities during summer months. In 1984 that business was hard to come by.

Not all the news in this subgroup was bad, of course. National Fuel Gas, which distributes natural gas in New York, Pennsylvania and Ohio, had an impressive earnings gain of 69.4%. Its return on equity also rose, from 12.2% over the five years and 10.2% last year to 18% in 1984. The 18% figure puts National Fuel Gas in second place among all diversified companies in terms of 12-month return. A combination of a cold winter and rate relief helped produce these impressive results.



It is harder to find even a glimmering of good news in the third subgroup—producers and pipelines. Here, 12-month return on equity was 12.6%, far below the 19.8% return these firms enjoyed over the last five years. Of the 12 companies ranked here, only three showed 12-month returns that were better than their average results over the previous five years. Why the poor showings? Falling energy prices drove profits down and heightened competition in industrial markets.

Consider Mitchell Energy & Development, the Texas company that leads the pack. Its profitability fell from 34.3% over five years to 13.3% last year—even though Mitchell sports the best margins in the subgroup. Houston Natural Gas also suffered. Its 12-month returns were half their five-year average, only 11.8%.

Fortunately, the factors that create a downturn can also bring this industry roaring back. And who really knows? This winter might be unusually cold. ■

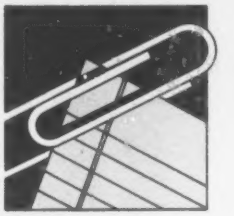
Natural gas utilities

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Integrated													
Entex	77/ 56	1	23.4%	21.3%	0.8	5.0%	6	17.1%	9.9%	6	7.3%	0.7%	high
SONAT		2	19.6	16.3	0.5	7.8	2	21.9	0.1	1	17.3	–1.5	very high
ENSERCH	52/ 60	3	18.2	6.5	0.8	2.2	7	16.9	–0.8	7	5.2	–30.5	very low
InterNorth		4	17.1	16.2	0.5	4.7	4	20.4	36.4	9	4.1	63.8	low
Oneok		5	17.1	12.4	0.9	2.9	12	13.1	10.4	12	–2.2	37.8	very low
Southern Union	72/110	6	16.9	7.8	0.6	2.7	11	13.2	–4.9	11	–2.0	–28.4	very low
Pacific Lighting		7	15.1	10.0	1.0	3.4	1	21.9	0.8	4	9.1	–33.5	very high
KN Energy		8	15.0†	14.0	0.7	4.9	13	10.9‡	–1.0	10	2.9‡	–13.8	average
Questar		9	14.8	16.2	0.6	9.8	9	15.4	24.4	2	13.5	–5.1	high
Consol Natural Gas		10	14.4	16.2	0.6	5.7	8	16.4	10.0	3	10.2	16.9	high
Columbia Gas System		11	14.1	12.5	0.8	3.8	5	17.2	1.7	8	4.7	15.6	average
National Fuel Gas		12	12.2	18.0	0.7	3.0	10	14.3	9.2	5	8.7	69.4	average
Atlanta Gas Light		13	9.7	16.3	1.1	1.6	3	20.6	10.1	13	–4.2	44.7	low
Medians			**15.1**	**16.2**	**0.7**	**3.8**		**16.9**	**9.2**		**5.2**	**0.7**	
Producers & pipelines													
Mitchell Energy	61/ 42	1	34.3%	13.3%	1.7	7.8%	2	28.5%	–5.1%	3	14.9%	–18.6%	low
Pioneer		2	30.6	37.7	0.5	7.3	9	14.0	–5.2	5	11.7	95.7	low
Houston Natural Gas		3	23.5	11.8	0.3	7.6	7	15.9	–8.3	6	10.9	–8.8	average
United Energy Res		4	23.2	7.2	0.5	0.7	6	17.0	–4.6	12	–12.9	20.8	very low
Valero Energy		5	22.0	def	0.9	3.0	11	9.3	13.1	1	41.1	P-D	low
Transco Energy		6	20.6	16.4	1.2	3.5	1	32.9	–4.5	2	16.1	16.8	high
Panhandle Eastern	89/ 76	7	18.9	10.5	1.2	4.5	4	19.8	0.1	8	4.6	7.7	low
Amer Natural Res	84/100	8	17.5	17.8	1.0	5.1	8	15.3	8.8	7	9.6	10.0	high
Texas Eastern	77/ 60	9	17.3	11.9	0.7	2.9	3	21.8	6.8	11	0.0	21.9	very low
Tenneco	28/ 24	10	16.7	11.8	0.8	5.0	10	10.6	3.1	10	1.4	–5.8	very low
MidCon		11	13.7	13.6	0.8	3.7	5	19.7	25.3	9	4.2	18.2	average
Williams Cos	49/ 87	12	9.7	14.3	1.5	2.5	12	4.5	228.1	4	12.0	500.0+	very low
Medians			**19.8**	**12.6**	**0.9**	**4.1**		**16.5**	**1.6**		**10.3**	**13.4**	
Industry medians			**15.8**	**14.0**	**0.8**	**3.6**		**16.9**	**8.8**		**5.2**	**16.9**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46. *Sources: Media General Financial Services, Inc.; Forbes*

OFFICE EQUIPMENT



This used to be a crisp, clean business—though many balance sheets are now smudged. But recent signs are encouraging. Several companies gained in earnings and profitability.

THE OFFICE EQUIPMENT BUSINESS simply isn't as profitable as it once was. Five years ago the median five-year return on equity of these companies was 17.8%. Now it is 10.8%, which places the industry 33rd among the 42 sectors surveyed by FORBES.

Of the eight firms ranked below, only three show positive five-year earnings growth. Some of that strong performance comes from nonrelated businesses. Sanders Associates leads the pack with long-term earnings growth of 13.9%. But it gets lots more money from defense electronics than from graphics systems.

Still, there is good reason to be optimistic. During the latest 12 months, these companies managed to post an impressive 14.3% return on equity. That is roughly one percentage point above the all-industry median. More important, office equipment firms beat their five-year average. The all-industry median fell below that benchmark.

Among the turnaround stars, reorganized AM International shows more than a 200% increase in 12-month earnings. The best return-on-equity figure for the period belongs to Pitney Bowes, with 23.7%. Bell & Howell, which is heavily diversified in textbook publishing and vocational education, ranked second with 22.6%.

Income at Xerox was off 30.8%. This company has a 15.5% five-year average return on equity, but profitability was less than half that figure during the most recent 12 months. How come? Competition is keeping office copier margins tight, and losses from casualty insurer Crum & Forster, which Xerox acquired in 1982, also hurt the bottom line.

Because Savin, Bell & Howell, Nashua and AM International have all lost money in recent years, it is impossible to calculate a meaningful long-term earnings growth rate for these companies. Savin, in fact, is still not profitable. Its woes illustrate how quickly the mighty can fall.

Five years ago Savin was the star of the office equipment industry, with a five-year return on equity of 44.7% and a five-year earnings growth rate of 68.8%. Then Savin and its competitor Nashua decided to build their own copying machines instead of merely marketing imports. Nashua junked its effort in 1981, wrote off $28.5 million and quickly rebounded.

But Savin, though well behind schedule, continues to forge ahead. Yet the strain is telling: The company hasn't made money since 1979. Savin is also the most leveraged company in the group, with a 1.6 debt-to-equity ratio. ■

Office equipment

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Sanders Associates	34/ 29	1	21.9%	15.4%	0.1	5.8%	1	33.9%	29.1%	1	13.9%	10.3%	very high
Pitney Bowes	89/ 88	2	20.8	23.7	0.2	5.4	2	16.3	7.0	2	4.6	65.7	average
Moore Corp		3	16.9	13.1	0.1	5.3	5	6.4	10.3	3	0.1	–1.2	very low
Xerox	80/ 75	4	15.5	6.9	0.3	5.1	4	7.1	3.1	4	–7.4	–30.8	low
Savin		5	6.1	def	1.6	def	3	13.5	–2.5		NM	D-D	NM
Bell & Howell	70/ 58	6	5.0	22.6	0.2	5.0	6	4.0	7.8		NM	188.1	NM
Nashua	76/ 50	7	4.9	17.2	0.6	1.4	7	1.3	3.4		NM	D-P	NM
AM International		8	def	NE	NE	1.5	8	–5.1	7.3		NM	206.9	NM
Medians			**10.8**	**14.3**	**0.2**	**5.0**		**6.8**	**7.2**		**NM**	**10.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

OILFIELD DRILLERS AND SERVICES

An uptick in offshore activity helped business at many of these companies. Unfortunately, weak oil prices offset many of these gains. So the industry is still depressed.

THE GOOD NEWS FROM THESE COMPANIES is that the worst is over. The bad news is that they still have a long way to go.

In 1983 oilfield drillers and service firms wrote off more than $1 billion pretax and laid off thousands of employees. Thus the industry was neatly slimmed down last year, when U.S. drilling activity posted a healthy 9% increase.

All this helped the 20 companies in this Yardstick boost profitability by 70% from 1983. But that says more about how far down the industry was than how far up it has come. The 12-month return on equity of drilling and service firms is still 1.7%, a fraction of their 20.1% five-year average. No surprise that none of the companies on this roster managed to outperform their five-year figures. In fact, one-third are still reporting deficits.

The performance of the oil well construction companies chronicles the industry's malaise. "Things were somewhat better than 1983," says Thomas Cruikshank, chief executive of Halliburton, "but the increase was not as sharp as we expected." The problem? Pricing. Still, Halliburton was lucky. Its profitability held steady at 9.6%

Oilfield drillers and services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Schlumberger	61/ 95	1	33.6%	19.4%	0.1	19.7%	6	16.9%	4.3%	4	19.0%	0.8%	high
Global Marine		2	31.6	def	1.4	11.0	1	33.4	–11.3	3	29.7	P-D	average
L B Foster	58/DP	3	31.1	5.3	0.9	def	18	0.3	22.4		NM	D-P	NM
SEDCO		4	27.6	23.0	0.6	23.5	14	8.8	–8.9	1	63.4	–13.8	average
Western Co of N A		5	23.9	def	1.6	def	2	25.0	5.2		NM	D-D	NM
Kaneb Services	46/ 65	6	23.8	def	0.6	7.7	11	13.2	–0.4	7	0.6	P-D	very low
Geo International		7	22.2	def	0.9	def	8	14.9	8.9		NM	D-D	NM
Cameron Iron	74/DD	8	21.0	def	0.6	def	4	19.2	–39.3	10	–25.4	D-D	very low
Reading & Bates	69/ 68	9	20.2	1.1	0.9	8.9	3	21.0	–16.6	5	7.4	–88.8	very low
Baker Intl	76/ 88	10	20.2	6.8	0.5	def	5	19.1	–0.2		NM	D-P	NM

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Sources: Media General Financial Services, Inc.; Forbes

despite tough competition. Western Co. of North America was less fortunate. Although it held fifth place for the second year, that's because high returns from 1982 and before boosted the five-year average. For the last two years the firm has lost money. As Western's old, lucrative drilling contracts expired, they were replaced by new jobs at cut-rate prices.

L.B. Foster, which makes and distributes tubular goods, gave up the industry's top spot in long-term profitability last year. Its five-year return on equity finally shows the effect of declining oil prices, even though Foster lost money for two quarters in 1983. Yet even though foreign pipe manufacturers flooded the U.S. market last year, Foster posted an earnings turnaround.

Schlumberger, which moves into first place, does so partly because of its geographic diversification. The giant firm is less involved in the North American markets, the hardest hit in this cycle. Moreover, as rig use increased—up 12% last year—so did demand for Schlumberger's wireline service, where revenues climbed by nearly 25%.

Much of the suspense about what Schlumberger would do with its cash ended in September, when plans to purchase SEDCO, an offshore driller, were announced. The fit seems good. Like its new parent, SEDCO enjoys a top-ranked long-term return on equity. The company's 41 offshore units benefited from two industry trends: On one hand, producers are exploring a record number of new tracts in the Gulf of Mexico. On the other, tax incentives in the North Sea are spurring drilling activity there.

Although Global Marine has moved up to second place on the Yardsticks, that's the result of its five-year average, rather than last year's return on equity. The company has more than tripled the number of rigs in its fleet, to 35 in the last six years, so you might think its profits would be quick to respond to the increase in offshore activity. Unfortunately, Global's expansion has boosted interest expense dramatically—the firm has the second-highest percentage of debt on this Forbes Yardstick.

"They financed equipment with high-cost money," says John Wellemeyer, an analyst with Morgan Stanley. "Revenues went up, but their costs went up faster." That problem, coupled with dividends from a late 1983 stock issue, led to losses for the most recent 12 months.

Excess capacity also hurt Reading & Bates, which posted a hefty earnings decline. Return on equity was 1.1%, not bad for a sector that ran barely in the black, but bleak in any other circumstances. By the end of last year, R&B's fleet had completed lucrative contracts negotiated before the downturn; now its rigs are either idle or employed under contracts that barely cover operating costs.

There were further tales of woe at Hughes Tool Co. Slow demand overseas hurt export sales of its drill bits, and inventory writedowns eroded profitability. Hughes also instituted an extensive restructuring plan in an attempt to save as much as $20 million annually. This regimen makes sense, since the drillers that did cut back showed the best results last year. In 1983 Baker International sharply reduced inventory as well as employment, moves culminating in a $206 million pretax charge. Last year it reversed previous losses to post a 6.8% return on equity.

At Cameron Corp., another convert to cost-cutting measures, earnings again ran in the red, owing to a sharp falloff in domestic deep-well drilling, the biggest factor in the company's two-year 55% sales plunge. Management is doing what it can to try to salvage the situation. Cameron repaid nearly $55 million in debt in fiscal 1984 (which, for Cameron, ends in June), reduced employment by 10%, and cut the quarterly dividend to 3 cents a share, from 10 cents, for an annual savings of $8 million.

There's brighter news over at Zapata, where offshore drilling buoyed earnings. With a 5.9% 12-month return on equity, it ranks sixth in the industry. McDermott International's marine construction services are turning around. Although the company shows up at the bottom of the profitability Yardstick for the second year in a row, its profitability was respectable—at least within the context of this troubled industry. The future looks bright, too: Analysts predict that increased demand for offshore drilling platforms will push McDermott's earnings sharply higher in the next three to five years. ■

Oilfield drillers and services

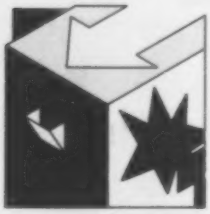
Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Parker Drilling	84/ 66	11	20.0%	def	0.9	def	10	13.3%	–35.6%		NM	D-D	NM
Halliburton	51/ 80	12	18.3	9.6%	0.2	5.7%	16	2.6	–5.6	9	–0.3	4.3%	very low
Tidewater		13	18.1	def	0.6	0.5	12	11.7	–14.0	11	–33.3	P-D	very low
Zapata	86/ 98	14	17.8	5.9	1.0	10.7	20	–3.0	–4.9	2	55.9	–47.8	average
Big Three Inds	45/ 36	15	17.0	8.4	0.3	6.8	13	11.1	13.4	8	0.0	4.2	very low
Hughes Tool	83/DD	16	16.3	def	0.4	def	7	16.2	–3.1		NM	D-D	NM
NL Industries	66/DP	17	14.7	0.9	0.4	def	19	–2.2	–10.0		NM	D-P	NM
Smith Intl	91/DD	18	14.0	2.3	0.5	def	9	14.1	–2.1		NM	D-P	NM
Dresser Inds	38/DP	19	13.1	4.0	0.2	0.1	15	3.9	0.5	12	–42.8	500.0+	low
McDermott Intl	38/ 43	20	9.2	3.1	0.5	3.9	17	1.7	–7.0	6	7.1	–58.2	very low
Industry medians			**20.1**	**1.7**	**0.6**	**0.3**		**13.3**	**–4.0**		**–29.4**	**P-D**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

PACKAGING



Someday, plastics may provide most of the profits at these companies. But change comes slowly in any basic industry, and last year the companies that made plain old cardboard boxes did very well indeed.

THE BIG STORY IN THE PACKAGING INDUSTRY is who's gone or who's going to disappear next year. Mergers, acquisitions and leveraged buyouts abound. In 1984 Kiewit Construction and investor David Murdock took Continental Group private. NVF is completing a leveraged buyout of National Can, and Champion recently finished its takeover of St. Regis. At the moment Teledyne holds a 30% position in Brockway, and Monaco Group Fund SA, based in Panama, holds a 9.4% stake in Kerr Glass.

The reason for all of this action is fairly simple. A lot of these stocks were trading below book value, and packaging is the kind of business in which capital expenses should be low. If all goes well, insiders can generate cash to pay off debt, then make a bundle. Only time will tell if this thinking pays off, but for now a lot of shareholders are cashing in: Share price rises of over 50% are common in change-of-ownership situations.

For the firms that stayed independent, 1984 wasn't a particularly good year. According to the median performance numbers, the industry barely edged above its five-year return on equity in the most recent 12 months. But in terms of earnings, the results are much more encouraging: The economic recovery helped these companies post an impresssive 42.4% 12-month earnings gain.

Plastics has become the key to the packaging industry, with the polyethylene terephthalate (PET) bottle grabbing an increasing market share. However, in 1984 the producers fell victim to success. Although the use of plastic containers increased, production accelerated even more, softening pricing and slashing profitability. Performance at Dorsey Corp. illustrates what happened: It has about 30% of the market for two-liter PET soda bottles, but

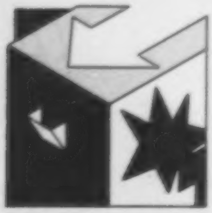
Packaging

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Jefferson Smurfit		1	54.1%	22.1%	1.7	1.7%	1	56.4%	22.1%	1	139.4%	98.2%	average
Tyco Laboratories	48/ 40	2	27.6	20.3	0.3	4.6	2	29.8	19.6	8	1.8	68.3	very low
Fort Howard Paper	27/NA	3	24.3	17.4	0.2	13.6	3	20.1	104.6	2	15.1	11.5	very high
Sonoco Products		4	17.1	17.4	0.2	5.0	6	12.6	12.6	6	7.6	33.9	average
Ball Corp	71/ 66	5	16.5	17.1	0.4	4.3	5	13.4	15.6	4	12.0	16.8	very high
Avery Intl		6	15.9	18.7	0.3	4.2	8	9.8	19.5	3	12.0	41.7	very high
Union Camp	37/ 8	7	15.6	15.3	0.5	7.9	14	6.2	18.4	9	–0.6	50.4	very low
Dennison Mfg	53/ 88	8	15.4	16.2	0.2	5.0	9	9.1	14.0	7	1.9	28.4	very low
Stone Container		9	14.0	7.4	2.0	def	4	15.4	143.6		NM	43.0	NM
National Can		10	13.7	12.0	0.4	1.3	12	7.0	17.6	11	–5.7	116.5	very low

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes



LBOs abound in this sector. If all goes well, insiders generate cash to pay off debt, then make a bundle.

profits dropped nearly 50%, and return on equity fell from 13.6% in 1983 to 10.1% in the most recent 12 months.

There's better news from the companies that make plastic packaging. Plastic bags are gradually replacing paper grocery bags and sacks. This improves margins at firms that produce them and sucks profits from the big producers of brown paper bags, like St. Regis. Its profitability for 1983 was among the group's worst. Contrast this with Sonoco Products, a big producer of plastic bags. Its 12-month profitability climbed from 14.2% in 1983 to 17.4% last year. Tyco Laboratories hasn't capitalized on the plastic bag business. But it is a leading producer of soft plastic containers, one of the industry's most promising products.

As for glass containers, the faster companies moved to cut capacity, the better they did. Owens-Illinois, the nation's largest glassmaker, shut 4 of its 22 plants in the last 24 months, reviving its return on equity from an anemic 2.6% in 1983 to 12.4% last year. As it de-emphasized glass, the company has been turning its attention elsewhere.

Brockway, in contrast, has been much slower to cut excess capacity. That explains why it lost money last year. It didn't help that the company was the major seller of bottles to Philip Morris' Miller Brewing, which has steadily lost market share to Anheuser-Busch.

While glass continued its trend downward, the can business began to show signs of life. The use of metal containers is up about 5%, thanks mostly to improved demand from brewers and soft-drink bottlers. "It appears the consumer likes cans better," says Richard Palm, an analyst with Merrill Lynch. Why? "They are easier to ship, they take up less space and they don't break."

Even American Can, which ranks near the bottom with a five-year average return on equity of 4.4%, did well last year. Though part of the improvement can be attributed to its plastic container business, its installation of more cost-efficient equipment, along with its development of the lead-free solderless can, also played a big role.

Aside from paper bags, the other news from the paper packaging business was good. This strength helped Jefferson Smurfit, a new entry on the Forbes Yardsticks, earn its high profitability rating. But look closely at the company's debt/equity ratio of 1.7. This is well above the industry average and adds significantly to the risks of doing business. Jefferson, the U.S. arm of an Irish paper packager, had its first public offering in the U.S. late in 1983.

As the economy strengthened, prices for paper boxes went up accordingly. Those boxes helped Federal Paper Board pack in a 20.8% return on equity in the most recent 12 months, well above its long-term average. Mead Corp. and Temple-Inland have the same trend to thank for their strong profitability comparisons. ■

Packaging

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Federal Paper Board	30/ 20	11	13.2%	20.8%	1.4	2.2%	10	8.2%	14.8%	5	8.6%	424.1%	very low
International Paper	46/ 5	12	13.0	7.1	0.3	5.9	24	–0.4	10.4	13	–10.8	25.4	low
Crown Cork & Seal		13	12.2	10.7	0.0	4.0	23	–0.1	2.6	10	–4.7	43.1	low
Dorsey	73/ 87	14	10.7	10.1	0.4	2.3	16	4.9	17.5		NM	–25.4	NM
St Regis	29/ 8	15	9.7	8.8	0.5	2.0	18	3.0	12.6	16	–22.9	D-P	average
Mead	30/ 20	16	9.5	15.6	0.7	1.6	21	0.8	–6.3		NM	D-P	NM
Bemis		17	9.5	9.8	0.5	1.7	20	1.2	11.5	12	–7.7	63.4	low
Owens-Illinois	80E/ 80E	18	9.0	12.4	0.4	2.0	19	1.6	–1.4	14	–14.9	D-P	low
Temple-Inland	72/ 47	19	8.8†	12.8	0.3	4.1	13	6.8‡	7.2		NA	NA	NA
Boise Cascade	31/ 33	20	8.4	7.5	0.4	1.8	17	4.4	16.5	17	–34.2	110.3	average
Longview Fibre	53/ 9	21	8.2	14.3	0.8	4.6	15	5.1	34.0	15	–17.0	217.3	low
Anchor Hocking	26/ 26	22	6.9	4.1	0.3	def	22	0.7	–29.8		NM	D-P	NM
Brockway Inc (NY)		23	6.5	def	0.4	0.0	7	10.2	12.4	18	–46.4	P-D	average
American Can	47/ 58	24	4.4	8.9	0.6	2.5	25	–3.3	–1.6		NM	23.4	NM
Kerr Glass Mfg		25	1.7	def	0.2	def	11	7.8	–44.1		NM	D-D	NM
Medians			12.2	12.4	0.4	2.3		6.8	14.0		–10.8	42.4	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. DP: Segment deficit, total profit. PD: Segment profit, total deficit. E: Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

PAPER

For the first half of last year, the strong economy helped paper companies post impressive performances. Then the dollar took off, and the industry's profits began to sink.

For most paper companies 1984 was a very good year. Part of the reason is that this basic industry is benefiting from important changes elsewhere in the economy. The proliferation of personal computers boosts demand for uncoated white paper. The growth of direct mail shopping does the same for coated catalog stock.

The bottom line is that 20 of the 24 companies in this group showed increased operating earnings for the most recent 12 months. But in terms of profitability, results are less impressive. Over half these companies—including stars like James River and Fort Howard—failed to match their long-term return-on-equity averages.

Even some of the apparently good numbers can be deceiving. Federal Paper Board turned in a 424% earnings gain. But the company was recovering from an unusually poor performance in 1983. Also, Federal has an unusually high debt/equity ratio. This penalizes the company's return on total capital.

What penalized nearly every paper company last year was the strong dollar. "It created two scissors cutting profitability," says Bruce Kirk, an analyst with Goldman, Sachs. "Not only did a high currency value make it tougher to export, but the paper companies had foreigners nipping at their heels in the domestic market as well."

More than half of all the market pulp produced in the U.S. is sold outside the country. When it comes to liner-

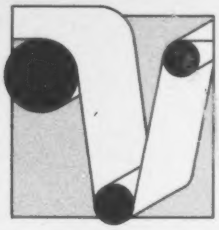
Paper

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
James River	67/NA	1	35.4%	24.7%	0.8	4.3%	1	50.5%	27.8%	1	18.8%	13.6%	average
Fort Howard Paper	68/NA	2	24.3	17.4	0.2	13.6	2	20.1	104.6	2	15.1	11.5	very high
Bowater		3	20.3†	16.8	0.6	4.9	15	5.1‡	20.2	12	–5.9‡	61.1	low
Alco Standard	41/ 37	4	19.4	15.5	0.4	2.0	3	13.0	23.6	4	4.2	5.6	average
Consolidated Papers		5	18.6	20.0	0.0	8.5	8	7.5	22.0	8	–1.7	54.2	very low
Kimberly-Clark	30/ 30	6	18.1	14.3	0.3	5.8	5	11.0	11.1	5	0.8	22.8	very low
Union Camp	37/ 83	7	15.6	15.3	0.5	7.9	11	6.2	18.4	7	–0.6	50.4	very low
Great Northern	85/ 78	8	13.4	14.2	0.5	5.4	6	9.5	22.3	6	0.5	68.6	very low
Federal Paper Board	61/ 75	9	13.2	20.8	1.4	2.2	7	8.2	14.8	3	8.6	424.1	very low
International Paper	33/ 19	10	13.0	7.1	0.3	5.9	23	–0.4	10.4	13	–10.8	25.4	low
Westvaco	89/ 96	11	12.8	15.8	0.4	4.2	12	5.7	18.3	10	–3.4	100.0	very low
Hammermill Paper	77/ 65	12	11.4	13.5	0.6	2.0	4	11.5	21.5	9	–3.3	212.5	very low

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year-growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes



The strong dollar created two scissors cutting profitability. It made it harder to export and brought foreigners into the domestic market.

board, the figure is far less, but exports still amount to up to 15% of total domestic production. When the value of the dollar increased, foreign sales went down. In recent years Weyerhaeuser exported more than 22% of its pulp. Last year that figure dropped to 18%. That is one of the major reasons the company's profits dropped approximately 22% below its five-year average.

But something else happened. Price competition at home got more aggressive, further eroding profitability. Consider the situation in the market for printing and writing papers. In 1983 foreigners had a mere 6% of this business in the U.S. But by the second quarter of last year, that figure had jumped to over 10%.

Now look at what happened to prices: Uncoated printing and writing paper sold for up to $800 a ton in 1983, but some could be bought for less than $700 last year. This pushed down profits at major producers like International Paper and Champion International, both of which turned in among the poorest performances in the group.

Because magazine publishers like their supplies close to home, companies supplying coated stock were less affected by the dollar's climb. Westvaco, Bowater and Consolidated Papers are all big in this market. Each company showed at least 50% year-to-year increases in earnings. The gains place them near the top of the group rankings. Coated paper also helped St. Regis, though it's difficult to tell that from the Yardstick data. The FORBES data include several nonrecurring writeoffs, among them $55 million in costs earmarked for the company's recent merger with Champion International.

This deal makes Champion one of the biggest forest products companies in the nation, and it could have profound implications. Andrew Sigler, Champion's chairman, had long been a proponent of building rather than buying mills. But he reversed his philosophy when he paid $1.3 billion for St. Regis.

Georgia-Pacific has no new operations on its drawing boards, either. Instead, last spring the company paid $365 million for St. Regis' first-class unbleached paper mill in Monticello, N.Y. G-P began a restructuring program two years ago, focusing on its core building products and paper businesses. With last year's fat earnings increase as well as profitability gains, the strategy seems to be working. Now planned asset sales could reduce the company's exposure to expensive variable-rate debt, lightening the load for a climb further up the Yardstick rankings.

Some of the current moves at Champion and G-P, in fact, may be an attempt to emulate the strategy of James River Corp., the industry's longtime maverick. It has steadily boosted profits by snapping up poorly managed mills and making them run right. Even though discounting hurt profits last year, the firm's 25% return on equity was nearly double the industry average. On a five-year basis, James River's profitability averages 35.4%, 29th among the 1,000 companies ranked in this issue. ■

Paper

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Weyerhaeuser	23/ 17	13	10.9%	8.5%	0.4	4.2%	17	3.1%	16.5%	17	–23.0%	72.9%	high
Scott Paper	31/ 35	14	10.8	11.5	0.4	5.0	9	7.3	8.9	11	–5.7	82.4	low
Willamette Inds	65/ 88	15	9.9	12.1	0.7	2.1	13	5.3	12.9	19	–31.5	118.6	high
St Regis	46/ 54	16	9.7	8.8	0.5	2.0	19	3.0	12.6	16	–22.9	D-P	average
Mead	70/ 80	17	9.5	15.6	0.7	1.6	22	0.8	–6.3		NM	D-P	NM
Georgia-Pacific	26/ 15	18	9.2	11.1	0.7	1.6	10	6.2	12.6	18	–28.2	500.0+	high
Potlatch	63/ 94	19	8.9	7.4	0.5	4.5	20	2.4	13.4	15	–22.1	52.8	high
Boise Cascade	35/ 55	20	8.4	7.5	0.4	1.8	16	4.4	16.5	21	–34.2	110.3	average
Champion Intl	40/ 68	21	8.3	7.4	0.6	1.9	18	3.1	9.6	20	–32.3	119.4	high
Longview Fibre	34/ 61	22	8.2	14.3	0.8	4.6	14	5.1	34.0	14	–17.0	217.3	low
Crown Zellerbach	76/ 83	23	4.8	8.6	0.5	3.2	21	1.9	12.5		NM	D-P	NM
Southwest Forest	51/DP	24	0.8	0.7	1.3	def	24	–1.3	22.3		NM	D-P	NM
Industry medians			**11.2**	**13.9**	**0.5**	**4.2**		**5.5**	**16.5**		**–8.4**	**70.8**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

PETROLEUM

Record-breaking mergers may make for nice headlines, but they don't do much for profits. Unfortunately, neither do falling prices and refinery overcapacity.

WITH TOO MUCH OIL chasing too few buyers, it was not a good year for the petroleum industry. Of the 43 companies in this Yardstick only Holly Corp. and Coastal Corp. beat their five-year profitability averages.

It didn't help that there was little money to be made in downstream operations. The problem? Overcapacity, which hit everywhere from tankers to refineries to the corner service station. "The situation was not managed well," explains Barry Good, a managing director at Morgan Stanley, who doesn't expect the situation to improve soon. "Watching surplus disappear would be similar to watching the grass grow," says Good.

Not that there wasn't excitement in this industry. Lots of thrills came from mergers and acquisitions. But any enjoyment that shareholders at Mobil, Texaco and Chevron felt as these companies made takeover headlines is now tinged with disappointment. All three acquirers reported below-average profitability for 1984.

What went wrong? Mobil's purchase of Superior has diluted earnings, since the cost of the acquisition was higher than its income. At Chevron and Texaco there hasn't been any dilution. Instead, the trouble comes in trying to make the acquisitions work. But who said absorbing $10 billion-plus companies like Gulf or Getty is easy?

Petroleum

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
International oils													
Occidental Petrol	57/ 98	1	33.2%	13.8%	0.6	2.5%	2	24.5%	−16.9%		NM	D-P	NM
Exxon		2	20.1	19.4	0.2	5.6	5	7.5	7.1	1	9.2%	22.9%	low
Chevron		3	18.4	10.7	0.1	5.8	7	3.9	−2.8	3	3.0	−6.8	very low
Phillips Petroleum	84/ 99	4	18.3	14.4	0.4	4.8	3	17.1	2.3	5	−2.9	40.4	very low
Mobil	81/ 97	5	17.5	10.3	0.4	2.8	4	9.7	2.5	4	1.2	−11.3	very low
Texaco		6	15.2	7.6	0.2	3.1	6	7.1	−4.0	2	3.9	−11.8	very low
E I du Pont	52/ 29	7	14.7	13.0	0.4	3.2	1	30.9	4.6	6	−5.9	47.8	low
Medians			18.3	13.0	0.4	3.2		9.7	2.3		1.2	8.1	
Other oil and gas													
Charter	79/ 18	1	45.2%	def	0.6	def	19	15.4%	70.3%		NM	P-D	NM
Standard Oil Ohio	78/107	2	42.4	18.8%	0.5	13.0%	13	17.9	1.5	4	22.1%	−7.5%	average
Phibro-Salomon	67/ 43	3	36.7	20.7	0.3	1.6	5	23.7	0.9	3	22.5	1.2	average
Mitchell Energy	30/ 49	4	34.3	13.3	1.7	7.8	3	28.5	−5.1	6	14.9	−18.6	low
Texas Oil & Gas		5	33.4	29.0	0.6	16.1	6	23.1	11.6	1	31.9	17.0	very high
Tesoro Petroleum		6	30.2	2.7	0.2	1.7	26	11.7	10.8	15	4.1	−80.7	very low
Pennzoil		7	25.7	17.8	0.7	7.1	35	7.1	13.0	21	−0.4	43.4	very low
Freeport-McMoran	26/ 21	8	24.4	12.5	0.4	11.9	10	19.6	6.4	12	10.0	67.1	very low
Tosco		9	22.4	NE	NE	def	11	18.4	−34.6		NM	D-D	NM
Atlantic Richfield	86/105	10	22.2	6.5	0.4	6.2	17	16.0	0.8	10	12.2	−55.6	average

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

U.S. Steel's 1982 takeover of Marathon Oil is a definite bright light, although hardly electrifying. Marathon reversed the slide in its domestic petroleum reserves by purchasing Husky Oil's U.S. properties, but the company didn't provide enough of a push to get U.S. Steel, its parent, back into the black for the past 12 months.

For a quick lesson on the right way to purchase reserves, take a look at top performer Exxon. Instead of paying a bundle for another oil company, Exxon, the most profitable of the multinationals, managed a quiet $2.5 billion stock repurchase plan.

The same success story can be heard from Standard Oil of Ohio, which turned in a top performance by, in effect, purchasing reserves from shareholders, rather than paying through the nose on the open market. Atlantic Richfield also benefited from a 25-million-share repurchase plan launched last August, although it can't be seen in this year's profits. The company financed the repurchase by selling most of its metal division, which helped generate nearly $800 million in writedowns, dragging Arco's annual earnings down to 6.5%.

It's no secret the refineries are in bad shape. Look at Charter: Its impressive five-year return on equity belies the fact that problems with single-premium deferred annuities and refinery overcapacity forced the company to file for bankruptcy last April. Crown Central Petroleum also reported a deficit last year, largely because of its troubled refinery operations near Houston.

Problems in refining and marketing exacted their toll on Amerada Hess, too. It posted a $30 million loss in the second quarter, causing a 56% drop in operating earnings. That devastated profitability. Return on equity for the most recent 12 months was 9.2%, less than half the company's five-year average.

Given that Coastal Corp. owns four refineries, you would expect it to be hard hit by problems in downstream operations. So it was, but the company remained one of two that beat its five-year average profitability. Why? That 63-cents-a-share gain reaped from its takeover tussle with Houston Natural Gas came in very handy.

Until recently, Tesoro Petroleum's Kenai refinery, one of the company's strongest operations, remained immune to price competition: The plant serves Alaska, where customers have few alternatives. But now pricing problems have even spread north, which hurts Tesoro's profitability. Last year the company's return on equity fell to 2.7%. ■

Petroleum

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Murphy Oil		11	21.9%	10.0%	0.3	5.5%	16	16.1%	–15.2%	5	21.0%	–32.3%	average
Amerada Hess		12	21.5	9.2	0.7	2.5	29	11.1	5.5	24	–7.0	20.7	low
Cabot	48/ 80	13	21.5	14.4	0.4	4.1	18	15.7	12.5	14	4.7	51.0	very low
Ashland Oil	72/100	14	20.3	def	0.5	1.2	33	9.5	5.1	29	–22.4	P-D	low
Louisiana Land	89/133	15	19.9	15.0	0.8	7.8	14	17.0	11.1	25	–7.1	17.4	low
Standard Oil Indiana		16	19.6	17.5	0.3	6.8	22	13.5	–0.4	11	10.1	21.0	average
MAPCO	64/ 85	17	19.3	12.2	0.8	2.4	2	29.8	4.7	26	–11.9	36.8	average
Unocal	88/ 86	18	19.3	14.0	0.3	6.2	30	11.1	6.8	9	12.5	7.5	average
Pacific Resources		19	19.0	def	1.0	0.7	4	27.9	26.6	22	–4.0	P-D	very low
Shell Oil	82/ 94	20	18.9	15.3	0.4	8.3	25	12.0	4.9	7	13.5	14.2	high
Sun Company	89/ 95	21	18.2	8.9	0.4	3.1	21	14.3	2.6	20	0.5	–12.3	very low
Southland	27/ 8	22	17.4	14.8	1.0	1.5	7	22.5	50.1	8	13.5	–0.9	very high
Tenneco	27/ 54	23	16.7	11.8	0.8	5.0	31	10.6	3.1	18	1.4	–5.8	very low
Holly Corp		24	16.7	41.3	0.0	7.1	12	18.3	–7.4	19	1.0	346.3	very low
American Petrofina	85/ 93	25	16.3	8.8	0.5	2.7	24	12.3	0.5	16	2.8	9.0	very low
Crown Central		26	16.0	def	0.8	0.2	9	20.0	2.6	30	–42.7	P-D	low
Coastal Corp	78/ 26	27	15.4	18.7	1.3	1.6	20	14.4	8.5		NM	30.2	NM
Quaker State Oil	80/ 84	28	14.1	10.8	0.3	4.1	27	11.5	2.4	13	6.5	–11.4	average
Kerr-McGee	79/ 86	29	13.3	6.8	0.4	3.4	28	11.4	–1.0	17	2.3	–32.7	very low
Union Pacific	52/ 33	30	13.2	7.7	0.5	3.6	8	20.7	–0.6	23	–4.6	–19.0	low
Diamond Shamrock	67/ 58	31	11.3	1.5	0.7	def	15	16.5	27.1		NM	P-D	NM
DWG	30/ 46	32	11.1	1.9	2.0	0.5	23	13.2	107.0	2	28.5	–93.4	high
Natl Distillers	31/ 23	33	10.6	6.4	0.3	2.6	36	6.5	88.2	27	–12.7	47.4	average
DEKALB AgResearch	25/ 59	34	10.4	8.2	0.4	2.4	34	8.2	13.1	28	–17.0	121.5	average
Penn Central	36/ 46	35	9.1	1.9	0.2	0.8	1	34.6	0.4		NM	–52.1	NM
United States Steel	52/NM	36	def	def	1.3	def	32	10.0	11.5		NM	D-D	NM
Medians			**19.1**	**9.6**	**0.5**	**2.9**		**15.6**	**5.0**		**1.2**	**–6.7**	
Industry medians			**18.9**	**10.7**	**0.4**	**3.1**		**15.4**	**4.6**		**1.2**	**–6.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

PUBLISHING

Changing technology is a boon to publishers. But selling computer ads in magazines is a more profitable way to enjoy these advances than developing expensive new ways to deliver information.

THE NUMBERS ARE TERRIFIC for the publishing industry, and appropriately so: Many of these companies' gains came from their ability to supply more and more numbers, and other information, through the expanded use of electronic databases.

Sales gains nearly equaled the industry's five-year average of 13.9%. But profitability climbed, and so did margins, even though the sector's median debt-to-equity ratio rose. Most impressive, though, is the median earnings gain of 27.3%. That's more than twice the five-year average.

A key reason for these stellar numbers is the industry's unusual ability to repackage information for easy access by computers. But when publishers try to develop new technologies, trouble often develops.

Consider what happened when, in the early 1980s, a number of media companies, including Time, Knight-Ridder, Cox and CBS, entered into a new medium, which would allow a consumer to summon information, his checkbook balance or games through his television set.

As FORBES noted in its industry review two years ago, the whiz-bang technology sounded great, but to succeed, those services would have to attract both viewers and advertisers. But most of the media companies couldn't attract enough viewers to cover the high cost of the technology. Survivors, like Knight-Ridder, have scaled back.

Thomas Murphy, chairman of Capital Cities Communications, expresses the thought of most publishers. "I'm

Publishing

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Dow Jones		1	32.7%	30.7%	0.0	13.2%	1	18.8%	13.5%	2	19.7%	22.6%	very high
Dun & Bradstreet		2	31.6	88.5	0.0	11.1	8	14.8	15.3	4	18.1	144.6	very high
Deluxe Check		3	29.2	29.7	0.0	12.4	9	14.7	9.4	3	19.2	17.9	very high
Washington Post	86/ 70	4	22.7	25.1	0.0	7.8	14	11.0	12.6	12	9.3	29.5	average
McGraw-Hill	88/ 87	5	22.7	22.8	0.0	9.8	13	11.1	7.9	10	13.8	13.9	very high
Capital Cities	60/ 45	6	22.7	21.1	0.3	15.0	5	16.2	22.4	7	17.0	25.0	very high
Gannett	77/ 79	7	22.0	20.6	0.3	11.3	3	17.6	12.8	11	11.5	12.9	very high
New York Times		8	19.8	22.8	0.2	7.2	6	16.1	14.0	1	28.7	37.0	very high
Interpublic Group		9	19.6	20.6	0.1	4.3	11	13.5	10.7	17	0.4	33.9	very low
Times Mirror	82/ 82	10	19.2	20.6	0.5	8.1	12	11.6	14.5	14	4.7	34.4	average

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Sources: Media General Financial Services, Inc.; Forbes

"Unlike 'image' advertisers, computer companies must include a fair amount of detailed copy in their advertisements. That means print ads."

cautious about investing a lot of money into technology 'that's still looking for a way to support itself," he explains.

While the new technology still has to prove itself, databases—the computerized storage of information—seem to be a surer bet. Business is the primary market, and so far its need to obtain more information faster continues unsated.

Dun & Bradstreet, the grandfather in the field, took another giant step toward consolidating its leadership position last August when it acquired A.C. Nielsen Co., best known for its television ratings, but really a full-scale consumer research firm. That acquisition explains D&B's 144.6% gain in earnings.

McGraw-Hill, which derives 30% of its revenues from electronic information distribution, reorganized late last year to make its database information more responsive to the market. McGraw-Hill thinks 40% of its revenues will come from its databases in the 1990s. That prospect is pleasing, since the delivery of electronic information is more profitable than print.

Dow Jones, which saw third-quarter earnings fall 6%, briefly worried Wall Street. When officials announced that earnings would be off, its stock dropped 16%. Still, Dow Jones led the publishing industry last year as it has every year since 1978. One of its hot new products: a profitable News/Retrieval service, which carries 28 databases and serves 150,000 clients.

Even firms that are not investing in the computerized data benefit from the boom in computers. "Computer, office equipment and other similar companies have fat advertising budgets," explains Merrill Lynch analyst Peter Falco. "Unlike the 'image' advertisers, such as the fast-food companies, these businesses must include a fair amount of detailed copy in their advertisements. That means print ads."

Time Inc., the nation's leading magazine publisher, is a good example of the trend. In 1984 the magazine sector contributed an estimated 41% of operating income, compared with its 31% contribution in 1983. The timing could not have been better. The success that Time had with its magazines offset the difficulty it had with HBO, its cable subsidiary.

Among newspaper publishers, the *New York Times* moved up two spaces to eighth this year. The reason: better margins and substantially reduced long-term debt. The *Washington Post* moved up a notch, too. It benefits from minimal competition in the nation's capital.

Gannett turned in another solid year and remained in seventh place, despite continued losses at *USA Today.* Without this national newspaper, noted for its short articles and innovative use of color, earnings would have been about 20% higher. Still, Gannett's 11.3% net margins are well above the industry norm. ■

Publishing

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Meredith	73/ 57	11	18.5%	18.0%	0.3	8.5%	17	10.2%	3.8%	6	17.6%	4.1%	very high
Media General	73/ 82	12	17.6	15.7	0.3	7.1	7	15.5	9.7	8	14.5	8.8	very high
Knight-Ridder		13	16.7	16.7	0.1	8.1	15	10.9	13.8	13	8.0	19.1	very high
American Greetings		14	16.7	17.9	0.3	7.3	2	18.2	13.7	5	18.0	30.6	high
Scott & Fetzer	40/ 28	15	16.5	18.8	0.3	5.1	19	2.8	11.9	15	1.8	32.0	very low
R R Donnelley		16	16.3	18.1	0.0	7.4	10	14.3	15.7	9	14.2	16.0	very high
Harcourt Brace	78/ 68	17	13.9	18.1	0.6	4.2	18	9.0	13.0	16	0.7	235.5	very low
Tribune	71/ 87	18	11.9	13.1	0.3	4.4	16	10.2	12.5	18	–5.4	6.2	very low
Macmillan	70/ 70	19	4.7	19.4	0.5	5.8	20	–6.9	20.5		NM	33.2	NM
Time Inc	56/ 26		NA	23.0	0.5	4.3	4	17.0‡	13.6		NA	76.6	NA
Medians			19.2	20.6	0.3	7.6		13.9	13.3		12.6	27.3	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

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Sources: Media General Financial Services, Inc.; Forbes

RETAILERS–GENERAL

A newcomer heads this industry, pushing last year's leader, R.H. Macy, down a notch. But look at the numbers closely, and you won't feel sorry for the big New York chain.

AS IT HAPPENS, the number one firm among department stores, Lucky Stores, is only one-quarter a department store chain. And right now its department store operations are losing money.

Lucky, which does business in the West, Midwest and South, is primarily a food retailer. That accounts for its 1.3% margins—very low for a department store but terrific for a supermarketer. Food also is the main reason for the diversified company's current earnings growth. Customers at its Gemco retail stores are staying away from big-ticket goods, and this caused earnings to disappear during the fall quarter of 1983.

In 1984, however, Lucky didn't even appear on the Forbes department store roster. But now its arrival pushes 1983's number one entrant—R.H. Macy—to second place. Macy's 12-month return on equity dropped from 22.3% to 19.9% in 1984. But there the bad news ends. Macy's margin, at 5.5%, still tops the list, perched loftily above

Retailers—general

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Department stores													
Lucky Stores	25/ 24	1	22.3%	16.8%	0.6	1.3%	6	12.1%	8.1%	11	1.7%	–15.8%	low
R H Macy		2	20.4	19.9	0.2	5.5	4	13.5	15.2	2	21.1	6.4	very high
Mercantile Stores		3	16.1	16.2	0.3	5.1	7	11.6	10.6	3	16.8	13.3	high
Dillard Dept Stores		4	16.0	21.0	0.6	4.0	1	21.2	30.6	1	32.2	36.6	high
May Dept Stores	71/ 72	5	15.6	17.6	0.5	4.4	11	9.5	14.8	7	9.3	21.3	high
Federated Dept Stores	71/ 87	6	14.5	12.9	0.3	3.9	9	10.0	10.3	8	8.8	–2.5	average
Allied Stores		7	12.7	13.4	0.8	3.5	5	12.5	9.9	9	6.2	7.3	average
J C Penney	87/NA	8	12.4	13.5	0.5	3.9	14	1.8	12.9	6	11.6	15.3	high
Assoc Dry Goods	65/ 72	9	11.6	13.7	0.5	3.1	2	19.7	13.1	4	15.9	13.8	very high
Strawbridge		10	11.3	14.0	0.8	3.8	10	9.8	14.7	5	13.0	24.1	high
Carson Pirie Scott	39/ 33	11	10.6	5.6	0.8	1.8	3	18.3	23.6	12	–5.3	–42.4	low
Carter Hawley	66/ 51	12	10.3	14.2	0.7	1.9	8	10.5	29.2	13	–8.9	83.1	average
Sears, Roebuck	69/ 53	13	10.2	14.4	0.8	3.6	12	7.7	12.8	10	3.8	18.0	low
Alexander's		14	1.4	6.3	1.0	0.8	13	3.5	1.2		NM	–13.6	NM
Medians			**12.6**	**14.1**	**0.6**	**3.7**		**11.1**	**13.0**		**9.1**	**13.6**	

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Sources: Media General Financial Services, Inc.; Forbes

the 3.7% subgroup median. Macy's debt-to-equity ratio is a mere 0.2. That is one-third the subgroup average and the lowest of any department store on this list.

Even as Macy's seems to have found the key to solidly successful selling, Sears, Roebuck, which ranks near the bottom of its subgroup, is trying to find the way back. But the nation's biggest retailer is so heavily into financial services that barely half its profits come from retail operations. Still, in terms of sales Sears remains very much a merchant: More than two-thirds of its revenues comes in through the cash register.

There are signs of a turnaround in the making. Although Sears' five-year return on equity is 10.2%, its 12-month returns were somewhat better, 14.4%, up from 13.3% last year. Were the firms ranked on that basis, Sears would have come in sixth among the 14 companies shown. Margins also were up slightly, from 3.5% to 3.6%. That may not seem like much, but on $25 billion of retail sales, one-tenth of a percentage point means $25 million on the bottom line.

The department stores posted a median 12-month return on equity of 14.1%, which was slightly better than 1983's 13.6%. Discount and variety stores, on the other hand, had a very productive 12 months relative to 1983. Their profitability bounced from 12.9% over five years to 14.6% during the most recent 12 months.

At the top of the discount and variety store subgroup, once again, Wal-Mart beats out the competition in virtually every important way. Its 35.6% five-year return bests number two SCOA by 7.4% and number three Ames by 12.1%. Wal-Mart's margins are also the best on the list, while its debt-to-equity ratio is beaten only by firms that have substantially lower overall returns.

Ames Department Stores is a newcomer and one of the smaller companies ranked in this issue. But size didn't hold it back. Ames, a northeastern chain, has succeeded by buying up stores from such bankrupt companies as W.T. Grant and Kings.

The returns for number six entrant, Heck's, require a bit of explanation. While the firm's five-year return on equity is a healthy 15.1%, its 12-month return was a paltry 3.4%, the worst of all the profitable companies on the list. The reason is largely geographic. More than one-third of the chain's 126 stores are based in West Virginia, a state with the highest unemployment rate in the nation. At the same time, Heck's has embarked on an expensive remodeling program, which also penalizes earnings.

The opposite relationship between five-year and 12-month figures exists at F.W. Woolworth. With its Woolco stores closed, Woolworth pushed profitability for the most recent 12 months up to 12.2%, compared with 4% over the five-year period. True, this is down from the chain's 14.1% returns in 1983, but that is primarily the result of the strong dollar. It hurt Woolworth's overseas operations, and, unfortunately, these contribute about 35% of the company's total profits.

One other interesting note about the discount and variety stores: It would appear that consistency seems to breed success. The top four companies on the list—Wal-Mart, SCOA, Ames and Stop & Shop—all had earnings predictability that Forbes measures to be high. But go further down the list to companies that have not had such impressive returns over the last five years, and the earnings predictability measure is either not material—for firms with deficits in recent years—or, at best, average. Only Associated Dry Goods, with a 13.7% return in 1984, breaks that pattern. It sports the only "very high" earnings predictability measure on the list. ■

Retailers—general

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Discount and variety													
Wal-Mart Stores		1	35.6%	33.3%	0.5	4.1%	1	39.5%	40.9%	2	40.6%	43.0%	high
SCOA Industries	82/ 93	2	28.2	20.5	0.8	3.2	8	10.5	15.3	8	12.6	16.7	high
Ames Dept Stores		3	23.5	23.8	0.4	3.1	4	18.5	58.0	6	20.0	53.5	high
Stop & Shop Cos	42/ 79	4	18.3	19.3	0.8	1.8	11	9.0	19.6	3	28.0	21.6	high
Dayton-Hudson	69/ 63	5	18.2	16.4	0.5	3.5	3	18.8	17.6	10	–0.5	13.0	very low
Heck's	87/ 84	6	15.1	3.4	0.7	2.2	13	6.6	8.3	12	–4.4	–43.8	low
Zayre	73/ 62	7	15.0	18.7	0.5	2.3	5	13.2	22.6	4	23.7	34.3	high
Rose's Stores		8	14.6	18.9	0.1	2.6	7	10.5	17.2	5	20.4	15.5	average
K mart		9	13.9	18.5	0.9	2.6	9	9.8	11.0	9	1.5	31.9	very low
Assoc Dry Goods	35/ 28	10	11.6	13.7	0.5	3.1	2	19.7	13.1	7	15.9	13.8	very high
Household Intl	58/ 16	11	11.4	14.6	2.3	2.6	6	12.4	4.3	11	–2.2	17.1	very low
G C Murphy		12	8.3	12.2	0.4	1.9	14	3.7	8.4	1	87.7	20.9	average
F W Woolworth	72/ 59	13	4.0	12.2	0.4	2.2	15	–3.9	7.5		NM	D-P	NM
Cook United		14	def	def	0.4	def	10	9.5	–27.6		NM	D-D	NM
HRT Industries	78/PD	15	def	def	1.5	def	12	7.8	–3.6		NM	D-D	NM
Medians			**14.6**	**16.4**	**0.5**	**2.6**		**10.5**	**13.1**		**12.6**	**16.9**	
Industry medians			**13.9**	**14.4**	**0.5**	**3.1**		**10.5**	**13.1**		**9.3**	**15.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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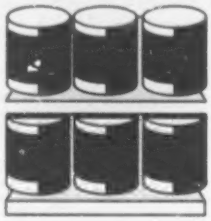
Sources: Media General Financial Services, Inc.; Forbes

RETAILERS—SPECIALTY



The averages make it look as if progress is steady and smooth for these companies. But look closely at the subgroups. Some are doing much better than others.

SPECIALTY RETAILING is on a very steady path. The median five-year return on equity of these 37 companies is 16.1%. The figure for the most recent 12 months is a remarkably similar 16.2%. But such numbers mask considerable change. There are six subgroups in these Yardsticks, and five of them experienced fairly dramatic swings from their five-year averages in 1984.

Catalog showrooms show the most volatility. Median return on equity at these companies dropped from 14.8% over five years to 8.2% last year. The jewelry subgroup had 12-month profitability of only 8.4%, down from a five-year average of 13.5%. Similar gyrations also afflicted apparel retailers. Their return on equity for 1984 was 16.1%, down from a 19.6% return for the five-year period. Companies that sell furniture, appliances and building materials, meanwhile, beat their long-term average by a comfortable margin. The shoe subgroup also improved its historic performance by a few percentage points.

Shoe company figures, however, need some explanation. Genesco is the only one of the four companies represented to post an improvement over its five-year numbers last year. But its returns were so much above average that they pulled the rest of the industry up, too—from 14.9% to 16.6%. To compound the confusion, Genesco's performance also is a bit misleading: While the diversified company is undoubtedly turning around, large losses have left it with little equity. This produces a high profitability measure that is misleading.

Look at the numbers this way, and you will probably conclude that the furniture, appliance and building mate-

Retailers—specialty

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Apparel													
Limited		1	37.3%	43.2%	0.1	6.5%	1	35.9%	17.1%	1	62.4%	38.0%	high
Petrie Stores		2	22.1	16.7	0.2	7.6	7	7.8	28.5	6	–1.3	15.6	low
United States Shoe	50/ 47	3	21.3	16.0	0.1	5.0	5	12.0	16.5	3	20.0	–5.9	very high
Gap Stores		4	20.9	15.7	0.1	4.5	4	13.1	11.7	2	24.4	–13.3	average
Nordstrom		5	18.4	16.2	0.4	5.1	2	21.5	25.5	4	18.7	8.9	very high
Hartmarx	55/ 36	6	12.5	15.2	0.4	3.9	6	10.3	12.7	5	16.7	20.7	very high
Carson Pirie Scott	60/ 66	7	10.6	5.6	0.8	1.8	3	18.3	23.6	7	–5.3	–42.4	low
Manhattan Ind	34/ 20	8	7.3	16.1	0.7	2.7	8	4.7	20.6		NM	51.3	NM
Medians			**19.6**	**16.1**	**0.3**	**4.7**		**12.6**	**18.9**		**17.7**	**12.3**	
Catalog showroom													
Service Merchandise		1	21.2%	17.6%	0.6	3.1%	2	21.3%	17.0%	1	12.0%	22.3%	high
Best Products		2	14.8	8.2	0.7	1.8	1	23.8	15.2	2	–4.5	–23.3	average
H J Wilson		3	13.2	4.8	1.1	1.7	3	20.2	8.9	3	–11.0	–5.2	average
Medians			**14.8**	**8.2**	**0.7**	**1.8**		**21.3**	**15.2**		**–4.5**	**–5.2**	

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Sources: Media General Financial Services, Inc.; Forbes

rials retailers did the best of the lot last year. No surprise here. There was a thriving housing market in 1984, fueled by lower mortgage rates. It helped these firms considerably. At the head of the pack, as you might expect, are three companies with minimal diversification: Price Co., Payless Cashways and Lowe's Cos.

But—as the earnings predictability measures indicate—these businesses are somewhat cyclical. The award for most consistent high-ranking performance clearly goes to the drugs chains. They enjoy a glittering five-year return on equity of 20.1%.

The steady addition of new markets for many of these chains contributes to their success and stability. These companies also usually have fat earnings growth rates. Interestingly, the firm at the bottom of the list—Sherwin-Williams—just happens to be the most highly diversified. It acquired Gray Drug Stores in 1981 partly to offset the cyclicity of its paint and chemicals businesses.

At the other end of the spectrum were the jewelry companies—all three of which saw returns on equity drop below their five-year averages. Although Gordon and Zale posted better returns than in 1983, none of these companies has been able to hold gains booked during the years of high inflation, when jewelry was purchased as a hedge against rising prices.

The same relationship between jewelry sales and inflation also has hurt the three catalog showroom firms included here. Jewelry is a major part of their business, even though they are diversifying rapidly. Service Merchandise, for example, has subsidiaries that sell building materials and computers. Still, neither it nor Best Products matched five-year profitability levels. ■

Retailers—specialty

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Drugs chains													
American Stores	NA/NA	1	25.0%	26.1%	0.6	1.5%	1	41.3%	15.3%	2	26.8%	28.0%	high
Rite Aid		2	23.8	24.2	0.1	6.1	6	14.5	5.4	3	22.0	33.6	high
Pay Less Drug		3	21.8	20.8	0.6	2.9	2	21.1	8.2	5	17.6	29.8	very high
Revco D S		4	21.4	22.5	0.1	4.2	3	18.0	22.4	6	15.8	15.6	very high
Walgreen		5	21.1	24.3	0.2	3.0	5	14.7	16.3	4	19.4	21.9	very high
Longs Drug Stores		6	19.1	16.9	0.0	3.0	9	12.9	8.7	8	8.1	13.0	high
Jack Eckerd	86/ 99	7	17.3	15.0	0.2	3.3	4	15.6	12.8	9	5.4	18.8	average
Thrifty Corp	NA/NA	8	16.2	20.5	0.8	1.9	10	9.5	9.4	7	13.4	23.9	very high
Pay'n Save	58/ 46	9	14.6	10.5	0.6	2.5	7	14.3	14.3	10	1.2	–13.3	very low
Sherwin-Williams	29/ 4	10	11.8	17.1	0.5	2.8	8	13.0	5.4	1	55.7	24.4	very high
Medians			**20.1**	**20.7**	**0.3**	**2.9**		**14.6**	**11.1**		**16.7**	**22.9**	
Miscellaneous													
Price Co		1	65:7%	41.4%	0.1	2.3%	1	83.8%	80.3%	1	80.9%	86.8%	high
Payless Cashways		2	20.9	16.2	0.4	4.0	2	27.1	11.1	3	19.4	0.0	high
Lowe's Cos		3	16.0	19.6	0.2	3.5	4	10.0	26.7	4	9.3	36.5	low
W R Grace	25/ 12	4	15.4	8.9	0.6	2.6	6	7.0	9.9	6	–0.6	23.5	very low
Levitz Furniture		5	12.9	21.0	0.8	4.3	7	2.6	32.7	5	0.0	100.5	very low
Sherwin-Williams	36/ 21	6	11.8	17.1	0.5	2.8	3	13.0	5.4	2	55.7	24.4	very high
Beneficial Corp	29/ 15	7	4.7	11.7	3.4	6.3	9	–3.9	14.0		NM	44.0	NM
Evans Products	68/ 52	8	def	def	2.0	def	8	0.6	40.2		NM	D-D	NM
Wickes Cos	44/ 28	9	def	NE	NE	0.5	5	9.0	9.0		NM	D-P	NM
Medians			**12.9**	**16.2**	**0.5**	**2.8**		**9.0**	**14.0**		**0.0**	**30.5**	
Jewelry													
Gordon Jewelry		1	14.2%	11.8%	0.2	4.2%	1	10.7%	6.6%	1	–1.3%	32.4%	very low
Kay	27/ 60	2	13.5	7.2	2.3	0.3	2	2.6	40.7		NM	–46.8	NM
Zale		3	10.4	8.4	0.4	3.5	3	1.0	8.0		NM	77.0	NM
Medians			**13.5**	**8.4**	**0.4**	**3.5**		**2.6**	**8.0**		**NM**	**32.4**	
Shoes													
Edison Brothers	52/ 68	1	17.7%	16.1%	0.2	4.8%	3	6.3%	10.0%	2	–3.2%	22.1%	very low
Brown Group	40E/NA	2	17.6	17.1	0.2	4.5	1	8.4	6.1	1	15.4	6.3	very high
Morse Shoe	77/ 72	3	12.1	10.3	0.4	3.7	2	8.0	3.7		NM	44.6	NM
Genesco	43/ 52	4	def	52.4	1.1	2.5	4	–10.6	–5.2		NM	D-P	NM
Medians			**14.9**	**16.6**	**0.3**	**4.1**		**7.2**	**4.9**		**NM**	**22.1**	
Industry medians			**16.1**	**16.2**	**0.4**	**3.2**		**12.5**	**13.4**		**6.8**	**22.0**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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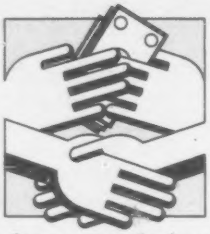
Sources: Media General Financial Services, Inc.; Forbes

SERVICES

Some of the most profitable companies around are in this industry. But read the numbers carefully. The best current performers aren't always at the top of the list.



NEARLY ALL OF THE 38 companies in this group are in growing, healthy sectors of the economy. No smokestacks and creaking machinery here. These firms don't make anything. Instead, they sell qualities like speed and convenience, just the stuff likely to command a premium in today's world.

But when it comes to individual market sectors, the four categories have little in common. What does fast food have to do with data processing? These numbers make the most sense when you consider each subgroup individually.

Look at the fast food chains, and you'll quickly see that Church's Fried Chicken may soon lose its first-place position based on five-year profitability. Indeed, Church's actually lost ground in terms of earnings per share in the last year. That's reflected in the fact that Church's 12-month return on equity drags in nearly at the bottom of the list.

As for the others, Wendy's experienced improvements over last year's profitability, while McDonald's, Jerrico, Denny's and Pillsbury saw returns fall. Add all this together, and industry medians for the 12-month period came in at 16.3%, compared with five-year returns of 20.6%.

The only other number that stands out in fast foods is one that has become an annual tradition on the Forbes Yardsticks: McDonald's margins—this year at 11.4%—tower above every company's in the subgroup. The chain, which claims to have sold its 50 billionth hamburger a few months ago, still has unrivaled operating efficiencies.

In the food distributors subgroup, Allegheny Beverage's

Services

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Fast food chains													
Church's Fried		1	26.2%	14.2%	0.1	6.9%	6	8.2%	16.7%	6	3.3%	–10.0%	low
Wendy's Intl		2	26.1	21.4	0.3	7.7	1	30.4	32.7	3	14.1	26.3	very high
McDonald's		3	22.9	21.5	0.7	11.4	5	12.8	12.4	2	16.7	15.1	very high
Jerrico	89/ 93	4	18.2	12.2	0.4	4.1	3	15.0	8.5	1	20.1	4.8	high
Denny's		5	17.7	15.2	0.9	3.7	4	14.4	10.5	5	8.8	0.7	average
Pillsbury	42/ 50	6	17.6	17.4	0.5	4.1	2	16.4	12.0	4	9.7	17.6	very high
Medians			**20.6**	**16.3**	**0.5**	**5.5**		**14.7**	**12.2**		**11.9**	**10.0**	
Food distributors													
Allegheny Beverage	45/ 28	1	27.1%	17.5%	3.0	2.1%	1	41.7%	23.3%	2	26.3%	–4.0%	very high
Super Valu Stores	84/ 74	2	27.0	26.9	0.5	1.3	7	14.2	16.1	6	14.8	7.5	very high
Marriott	31/ 25	3	21.3	20.5	1.7	3.8	4	19.2	22.5	4	23.0	19.5	very high
Sysco		4	20.7	17.6	0.3	2.0	5	18.9	19.0	5	22.3	13.3	very high
Fleming Cos		5	19.0	17.8	0.6	0.9	6	16.3	15.8	6	14.8	17.0	very high
Saga		6	16.2	23.5	0.5	2.7	8	11.7	16.3	1	38.7	13.3	high
Nash Finch	57/ 62	7	14.2	12.8	0.4	1.0	12	8.3	6.0	10	5.3	1.7	high
Farm House Foods		8	13.9	7.7	2.8	0.2	2	36.3	4.1	15	–27.6	500.0+	low
CFS Continental	87/ 71	9	13.8	16.3	0.6	1.4	10	11.0	17.0	3	23.6	19.3	very high
Wetterau	75E/NA	10	13.4	15.4	0.6	0.8	3	21.2	24.2	12	–3.2	14.1	very low
Super Food Services		11	12.5	15.8	0.9	0.4	9	11.6	5.4	9	10.3	13.4	low

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Sources: Media General Financial Services, Inc.; Forbes

27.1% five-year return on equity gives it a paper-thin victory over Super Valu Stores. In addition, Allegheny's debt-to-equity ratio of 3.0 also places it in the subgroup's top spot—this figure is five times the industry median debt-to-equity ratio of 0.6. This is not to question Allegheny's performance. But lots of debt penalizes return on total capital, and its phenomenal earnings growth of 26.3% may not be sustainable given the firm's considerable leverage.

Super Valu, the nation's largest food wholesaler, has a debt burden slightly below the industry average. Its 12-month return on equity also easily outstrips that of any competitors. Just as Allegheny earned its returns with debt-financed expansion, Super Valu seems to have pulled up its returns by expanding into nonwholesale operations. While Super Valu took in 84% of its sales from wholesaling, it brought in only 74% of earnings from that sector. The remainder came from fast-growing retail operations like its Cub superwarehouse food stores.

The first two pure plays in this industry are Sysco and Fleming Cos. Both have similarly impressive 12-month returns—17.6% and 17.8%, respectively. In addition, both have solid five-year and 12-month earnings growth rates and high grades for predictability. This indicates that their earnings growth has been solid and steady over time.

Next on the list is Saga Corp. Even though this national food-service company posted the sixth-best five-year return on equity of the 17 companies shown here, it had the third-highest 12-month return: 23.5%, up from 22.3% in 1983. A five-year earnings-per-share growth of 38.7% also indicates that Saga has been gaining on the other firms in this group. Note: Back in 1979 Saga barely made a profit. Starting from a small base boosts its long-term average.

Also look at Farm House Foods' unbelievable 12-month earnings growth, which is just that—unbelievable. The firm nearly lost money in 1983, so from a small base almost any gain seems impressive.

In the industrial services category, for once, the number one company is clearly on top for both its five-year and 12-month profitability. ServiceMaster Industries, which manages the cleaning and maintenance of health care facilities, ranks 19th among the 1,000 firms rated in this issue in terms of long-term profitability. Impressively, it managed to top its 40.8% five-year return on equity with a 12-month return of 49.5%. As might be expected, ServiceMaster is being helped by economy moves in the health care industry. When hospitals need to save money, one of their first moves is often to try to cut cleaning bills by bringing in professional management.

Two other pure plays in this sector, PHH and Gelco, do similar things. Both companies manage and lease vehicle

Services

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Rykoff-Sexton		12	12.2%	14.0%	1.5	1.2%	14	7.2%	90.9%	8	11.9%	45.2%	average
ARA Services	51/ 31	13	11.0	11.7	0.5	1.8	11	9.3	11.3	13	–4.7	15.8	low
Pacific Gamble	62/ 82	14	8.7	2.4	0.9	0.4	15	6.1	8.5	15	–13.2	–65.0	very high
Di Giorgio	57/ 34	15	8.3	2.9	1.0	0.8	16	0.9	20.2	14	–9.3	–45.3	high
Allied Supermkts	31/NA	16	def	0.2	0.2	def	17	–3.6	10.0		NM	D-Z	NM
Transworld	18E/ 20		NA	24.8	0.4	3.2	13	8.2‡	8.5	11	2.1‡	129.7	very low
Medians			**13.9**	**15.8**	**0.6**	**1.2**		**11.6**	**16.1**		**10.3**	**13.4**	
Industrial services													
ServiceMaster Inds		1	40.8%	49.5%	0.0	3.7%	5	20.7%	22.1%	3	23.4%	19.8%	very high
Tyco Labs	32/ 9	2	27.6	20.3	0.3	4.6	3	29.8	19.6	7	1.8	68.3	very low
PHH Group		3	24.7	18.6	0.0	6.8	1	32.9	–4.7	4	22.0	4.9	very high
Waste Management		4	23.7	17.2	0.2	11.6	2	30.1	16.9	1	26.7	7.9	very high
Browning-Ferris		5	21.6	22.3	0.3	9.4	6	17.8	18.6	2	23.6	8.3	very high
Natl Service Inds	47/ 61	6	19.9	18.4	0.0	5.9	8	8.6	14.6	5	12.6	11.1	very high
Gelco		7	18.5	6.4	6.7	1.4	4	25.6	–1.0		NM	D-P	NM
Dynalectron	42/ 94	8	16.8	9.6	0.2	1.9	7	11.9	20.6		NM	–8.4	NM
Figgie Intl	43/ 41	9	16.3	11.0	0.6	3.2	9	1.1	7.0	6	11.3	–6.4	high
Rollins		10	8.3††	25.3	0.4	5.9	10	–0.6‡‡	5.2	8	–12.1‡‡	56.1	average
Medians			**20.8**	**18.5**	**0.3**	**5.3**		**19.3**	**15.8**		**12.0**	**8.3**	
Office services													
Kelly Services		1	25.1%	28.3%	0.0	3.3%	2	11.0%	47.1%	2	5.2%	66.7%	low
Auto Data Proc		2	20.6	17.1	0.1	8.4	1	20.7	17.9	1	15.4	14.7	very high
Dennison Mfg	47/ 12	3	15.4	16.2	0.2	5.0	3	9.1	14.0	3	1.9	28.4	very low
Parker Pen	80/ 78	4	13.7	7.5	0.3	1.7	4	3.4	20.8		NM	D-P	NM
Medians			**18.0**	**16.7**	**0.2**	**4.2**		**10.1**	**19.4**		**3.6**	**28.4**	
Industry medians			**18.0**	**17.1**	**0.4**	**3.2**		**12.8**	**16.1**		**10.3**	**13.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

185th CONSECUTIVE QUARTERLY DIVIDEND

Peoples Energy Corporation

26½¢ PER COMMON SHARE

Payable January 15, 1985 to Stockholders
of Record December 19, 1984
Declared: December 5, 1984

SUBSIDIARY COMPANIES

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fleets. PHH has a far better profitability, and a key reason is Gelco's high debt/equity ratio of 6.7—unusual in a group where three of the top five firms have no debt. As a result, its already low 12-month return on equity is artificially high, buoyed as it is by borrowed money.

Another firm that may not have truly earned its exalted place on the list is Tyco. To be sure, its numbers are eye-catching; five-year return on equity of 27.6% and a 12-month return on equity of 20.3%. But Tyco brought in only 9% of its profits from service-oriented businesses. It is a successful company. But its successes have really come in selling electronic components, not in running fire protection safety systems.

The other fire protection safety system company, Figgie International, did not do as well. In ninth place, with a five-year return of 16.3%, Figgie's earnings per share over the latest 12 months dropped by 6.4%.

Among the office service companies, the top firm is Kelly Services. It earned its place with exemplary returns in 1984, aided by rapid sales and earnings growth. The company, which brings in its revenues and profits from providing temporary employees, earned a 25.1% return on equity for the last five years and an even more impressive 28.3% return in the most recent 12 months. Although long-term sales and earnings growth have not been supersonic (11% and 5.2%, respectively), these growth figures really took off last year. Kelly's sales increased by 47.1%, while earnings grew at a 66.7% clip.

All this becomes even more startling when you look at Kelly's debt-to-equity ratio. It is the only firm in its particular subgroup to do business without a penny of debt. In fact, it is one of only four service companies in this segment that have avoided borrowing completely. The other three are in industrial services.

The number two company in this subgroup, Automatic Data Processing, is a top supplier in the rapidly growing market for data processing services. Its results show that it is in a high-demand business. ADP turned in a solid 17.1% return on equity over the last 12 months and a 20.6% return over the last five years. It achieved this with a debt-to-equity ratio of 0.1, half the industry median. But where ADP really shines is in its margins. Return on sales is a hefty 8.4%, third place on the list after Waste Management and McDonald's, and better than double the industry median. ■

SUPERMARKETS

How does this industry deal with lackluster growth? Two popular ploys: larger stores with lots of nonfood items and playing tough with labor unions.

THE POPULATION is growing slowly. People are eating out more. And the only way to grow is by taking market share out of someone else's hide. This explains why supermarkets and convenience stores failed to come close to their five-year profitability averages last year.

But it also explains the trends to follow in 1985: aggressive expansion into the Sunbelt, the opening of bigger stores and a tough stance with unions. Labor costs, for example, account for about 70% of a grocer's operating expenses. With profit margins down (they fell from 1.3% in 1983 to 1% last year), stores will be looking for concessions. Kroger and Great Atlantic & Pacific were two of the national chains to win givebacks last year.

Just about all the major supermarket chains have expansion pushes on, and, not surprisingly, their targets are in the Sunbelt, the fastest-growing part of the nation. The

Supermarkets

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Major chains													
American Stores	NA/NA	1	25.0%	26.1%	0.6	1.5%	1	41.3%	15.3%	2	26.8%	28.0%	high
Albertson's		2	23.5	19.6	0.5	1.6	2	13.6	9.3	4	13.3	17.7	very high
Lucky Stores	66/ 52	3	22.3	16.8	0.6	1.3	4	12.1	8.1	8	1.7	–15.8	low
Supermkts General	86/ 75	4	21.6	17.1	0.8	1.2	5	11.3	7.9	3	14.8	3.6	very high
Winn-Dixie Stores		5	21.2	19.5	0.2	1.6	6	10.1	4.3	5	8.6	6.3	very high
Stop & Shop Cos	51/ 17	6	18.3	19.3	0.8	1.8	7	9.0	19.6	1	28.0	21.6	high
Kroger		7	16.1	13.3	0.8	0.8	3	12.9	5.7	7	2.9	1.0	very low
Safeway Stores		8	13.7	13.2	0.9	1.0	8	8.3	5.3	6	3.0	–0.9	low
Great Atl & Pac Tea		9	def	10.1	0.7	0.6	9	–8.3	15.0		NM	44.3	NM
Medians			21.2	17.1	0.7	1.3		11.3	8.1		8.6	6.3	
Regional chains													
Big Bear	79/ 81	1	46.3%	23.8%	1.1	1.4%	6	12.0%	6.1%	4	25.0%	–0.6%	high
Food Lion		2	32.2	27.6	0.4	2.4	1	31.2	23.9	5	21.4	27.5	very high
Bruno's		3	22.9	26.0	0.2	2.6	2	17.2	21.7	2	30.8	20.4	very high
Big V Supermarkets		4	22.6	5.5	0.4	1.0	5	12.4	0.2	12	8.2	–65.0	average
Cullum Companies		5	21.9	15.8	0.8	1.0	7	11.7	10.6	10	13.7	4.2	high
Weis Markets		6	20.8	19.2	0.0	5.6	10	11.1	11.1	9	14.8	14.2	very high
Giant Food		7	20.5	22.0	0.6	2.1	3	13.1	6.6	6	20.8	12.4	high
Hannaford Bros		8	20.2	17.0	0.7	1.5	12	10.3	10.0	7	19.6	2.0	very high
Ruddick	75/ 31	9	17.8	17.5	0.6	2.0	17	7.0	34.9	11	10.0	12.9	very high
Seaway Food Town		10	15.8	4.5	1.0	0.7	9	11.2	–1.3	14	–0.7	–51.3	very low

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Sources: Media General Financial Services, Inc.; Forbes

stores they are opening will be bigger, too. Five years ago the average supermarket had about 25,000 square feet of floor space. But today the trend is toward super-supermarkets. The average store is almost 33,000 square feet—more than three-quarters of an acre—and growing.

Consider Albertson's. It plans to open about 25 new outlets by year-end, and all but one will be a superstore. These fall into two categories: a combination food-pharmacy or a warehouse, where customers pick the products out of a manufacturer's shipping box and often pay for their own shopping bags. American Stores, Supermarkets General and Safeway all have superstore expansions planned, as well. The idea is to have customers buy everything under one roof and to boost margins. The larger stores carry more nonfood items, which have higher markups than groceries.

Another way the chains are looking to increase their net is by closing unprofitable stores. Safeway, the nation's largest supermarket chain, is typical. It opened about 160 stores last year but closed about 85.

National Convenience Stores ranks first in its subgroup, a new one this year. The Houston-based firm operates more than 1,000 outlets—with names like Shop N Go and Colonial—in 11 southern states. But it places relatively high-priced, fast-moving items, such as fast food and health and beauty aids, up front. Groceries are on the backshelves and account for only 5% of sales. That helps explain why National's margins are higher than the group median.

Southland, the largest convenience store chain with its 7,000 7-Elevens, is having trouble. Its 12-month profitability is well below the five-year average, in part because of the 1983 acquisition of Citgo Petroleum. These operations now account for 18% of sales but just 3% of profits. Circle K, by contrast, posted the most impressive year-to-year gains among the convenience stores. But this time an acquisition helped out. Last year it bought UtoteM, a convenience store chain with 1,000 outlets.

Among regional supermarkets, the best gains tend to come at firms that are moving to increase their nonfood sales. Big V, for example, operates more than 30 Shop-Rite supermarkets, mostly in the mid-Hudson Valley area of New York State. The company moved up a notch, to fourth place, in this year's profitability rankings. Nonfood sales have increased steadily since 1981 and now account for over 10% of total revenues.

Cullum, which operates supermarkets and drugstores in Texas, the Midwest and California, moved from sixth to fifth. The reasons for that gain are typical: The Dallas-based company has been expanding its general merchandise lines and closing smaller, less profitable stores. ■

Supermarkets

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Waldbaum		11	15.3%	11.4%	0.9	0.9%	11	10.9%	8.1%	8	18.0%	–19.4%	high
Marsh Supermarkets		12	14.7	5.2	1.2	0.3	14	8.9	1.8	17	–11.5	–45.5	very low
Nash Finch	42/ 37	13	14.2	12.8	0.4	1.0	16	8.3	6.0	13	5.3	1.7	high
Penn Traffic		14	12.2	9.7	0.7	1.2	15	8.6	12.1	15	–2.4	–20.5	very low
Smart & Final Iris		15	11.4	17.5	0.2	0.3	19	6.0	–16.1	20	–17.1	135.3	low
Godfrey		16	11.1	7.8	0.7	0.3	13	9.5	6.6	19	–14.0	27.9	average
Arden Group		17	9.8	11.4	1.1	0.5	23	1.1	–6.9	1	42.8	100.0	low
First Natl Supermkts		18	9.5	def	2.3	def	22	1.4	5.3		NM	P-D	NM
Pueblo International	85/ 82	19	9.1	10.5	0.9	0.7	8	11.4	9.7	16	–3.5	128.3	Low
Pacific Gamble	35/ 19	20	8.7	2.4	0.9	0.4	18	6.1	8.5	18	–13.2	–65.0	very high
Shopwell	81/ 82	21	8.5	0.9	1.0	0.4	4	12.9	10.1	3	30.0	–88.5	average
Fisher Foods		22	7.1	def	0.5	0.1	26	–20.5	1.6		NM	D-D	NM
Foodarama Supermkts		23	1.7	def	0.6	0.0	21	2.6	0.5		NM	P-D	NM
Borman's		24	def	def	1.2	def	20	4.3	1.8		NM	P-D	NM
Pantry Pride		25	def	9.6	0.3	0.7	25	–17.4	–18.2		NM	5.3	NM
Allied Supermkts	69/NA	26	def	0.2	0.2	def	24	–3.6	10.0		NM	D-Z	NM
Delchamps			NA	18.2	0.4	1.4		NA	9.2		NA	12.5	NA
Medians			13.2	10.5	0.7	0.7		9.2	6.6		–0.7	1.7	
Convenience stores													
Natl Convenience		1	28.9%	24.1%	2.1	2.3%	2	20.5%	28.3%	1	17.6%	22.5%	very high
General Host	70/ 68	2	17.9	9.7	1.4	2.8	5	–2.7	28.0		NM	–27.0	NM
Southland	64/ 85	3	17.4	14.8	1.0	1.5	1	22.5	50.1	2	13.5	–0.9	very high
Circle K		4	16.7	32.2	1.1	2.1	3	16.4	59.6		NM	38.8	NM
Munford	86/ 75	5	14.5	15.4	0.5	1.9	4	8.7	5.0		NM	23.5	NM
Medians			17.4	15.4	1.1	2.1		16.4	28.3		NM	22.5	
Industry medians			15.9	13.3	0.7	1.0		10.2	8.1		3.0	3.6	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

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Sources: Media General Financial Services, Inc.; Forbes

SURFACE TRANSPORTATION

The nation's largest truckers are still in low gear. Sure, they're nearly all posting revenue gains, but heavy discounting is hurting profits. The rate wars have even started to affect the railroads.

THE NATION'S LARGEST TRUCKING GROUP, IU International, is at the top of the profitability Yardstick for truckers. But not because of its performance in 1984. It squeaked in on the strength of its previous five years.

During the past 12 months IU's return on equity was the lowest of the nine truckers on our tables, barely one-third of the industry median. This dismal showing is the result, in part, of simply being big: When IU merged its two long-haul subsidiaries in an effort to gain the efficiencies of a larger system, the consolidation was costly. The firm also shocked Wall Street with an $11.7 million writeoff in the third quarter, the result of an accounting error. All this caused earnings to drop 60% in the latest 12 months.

Otherwise, the economic recovery produced a strong rise in trucking traffic. For every firm except Arkansas Best, 12-month sales growth outpaced average increases during the previous five years. Because of industrywide discounting, those volume increases didn't translate into significantly better profitability. Indeed, for more than half the companies, profitability in the latest 12 months has been lower than their five-year averages.

"It's been a trying year," says William Legg, a trucking analyst at Alex. Brown & Sons. "The combination of aggressive pricing and a successful pricing strategy by shippers forced freight rates down to a point where they were lower than the year before." Legg figures rates were,

Surface transportation

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Railroads													
Chicago & NW		1	24.3%	14.2%	1.2	3.9%	6	4.8%	7.4%		NM	115.0%	NM
American Standard	35/ 23	2	18.4	14.0	0.6	2.9	9	–0.9	50.7	7	–17.1%	30.9	average
Norfolk Southern		3	14.1†	11.4	0.2	11.3	4	5.8	13.6	5	–4.7‡	38.3	low
Union Pacific	43/ 57	4	13.2	7.7	0.5	3.6	1	20.7	–0.6	4	–4.6	–19.0	low
Burlington Northern		5	12.6†	14.0	0.7	9.2	2	11.7	82.8	2	3.9‡	34.4	average
Santa Fe Southern	74/ 28	6	11.5†	8.2	0.3	12.4	7	3.2‡	11.7	3	2.8‡	–38.1	very low
CSX	78/ 71	7	11.1†	10.8	0.5	4.7	3	8.7	55.7	1	6.4	23.7	low
IC Industries	24/ 15	8	7.9	11.0	1.0	2.5	5	5.2	1.7	6	–8.9	152.8	low
GATX	40/DD	9	6.1	def	2.9	def	8	2.9	1.5		NM	P-D	NM
Medians			12.6	11.0	0.6	3.9		5.2	11.7		–4.7	30.9	

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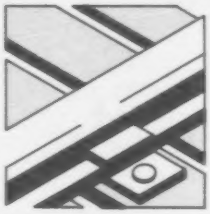
on average, 4% under 1983 levels, even after a 3.5% rise in list prices put through in September.

Since deregulation five years ago, the large publicly owned common carriers have been scrambling for market share. In the latest 12 months Ryder System posted revenue gains of nearly 37%, Yellow Freight enjoyed a 27% rise and Consolidated Freightways saw sales rise 23%.

Longtime profit leader Roadway Services still has no debt, and it now boasts more than $400 million in cash as well. This helped Roadway maintain its high margins of 7.9%, more than double the industry median. In the meantime, as many as 400 carriers, mostly smaller and less efficient operators, have been trampled, driven from the business by the battle among the giants.

The severe competition on the highways is even holding down railroad rates. More than half the lines in this subgroup, including profit leader Chicago & North Western, were unable to beat their five-year return-on-equity averages in the latest 12 months. The exceptions generally have been firms largely dependent on hauling coal, such as Burlington Northern. It was a beneficiary of coal stockpiling by utilities in anticipation of a mine workers' strike that never came.

Despite the pressure on rates, only three of the nine rails in the table reported declines in earnings in the past 12 months. Most managed sizable increases, averaging about 31%. The subgroup's 11.7% median sales gain also was more than double the 5.2% five-year growth average. Growth in rail traffic is already slowing as the economic recovery matures, so profit increases this year may be more modest.



On another front, the U.S. Department of Transportation narrowed its list of prospective bidders for Conrail to 3 from 15: Alleghany Corp., Marriott and Norfolk Southern. If Norfolk Southern succeeds, the merger could have a significant effect on rail competition in eastern markets. CSX, among others, is lobbying Washington in an effort to head off such a combination.

Looming ahead for truckers is the expiration of the International Brotherhood of Teamsters' contract at the end of March. The trucking companies want better work rules and, perhaps, a new hiring policy that would bring in new workers at lower wages. The Teamsters want job security, more money and the elimination of nonunion operations at unionized carriers.

This last item is a particularly sensitive point. Several large companies, including Consolidated Freightways, have created nonunion divisions to help them remain competitive with a raft of independent regional firms. These fledgling carriers typically use nonunion labor and can enjoy cost advantages of up to 40%. That's why they are a major threat to the unions, as well as to their larger competitors. ■

Surface transportation

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Truckers													
IU International	55/ 28	1	21.1%	5.3%	0.7	2.2%	8	–4.3%	16.5%	6	–6.0%	–59.6%	very low
Roadway Services		2	20.9	18.6	0.0	7.9	7	3.9	16.9	1	11.4	6.5	high
Ryder System		3	19.8	20.6	1.3	4.2	2	15.3	36.9	2	6.5	39.3	high
Consol Freightways		4	19.4	13.1	0.1	4.8	9	–4.4	23.0	3	1.4	15.2	very low
Leaseway Trans		5	17.5	12.2	0.9	2.9	3	7.7	13.6	5	–5.0	6.9	low
Yellow Freight		6	11.3	17.7	0.2	4.5	4	6.2	26.6	4	–2.9	19.2	very low
Dorsey	26/ 12	7	10.7	10.1	0.4	2.3	5	4.9	17.5		NM	–25.4	NM
Arkansas Best	78/ 50	8	5.9	17.3	0.9	1.4	1	16.4	9.6		NM	100.8	NM
RLC		9	2.8	16.3	2.3	2.1	6	4.0	22.6	7	–25.4	144.1	high
Medians			17.5	16.3	0.7	2.9		4.9	17.5		–5.0	15.2	
Other													
BRAE	88/108	1	19.7%	8.8%	2.9	0.9%	1	146.2%	24.2%	1	52.0%	90.3%	very low
McLean Inds		2	15.6	16.7	1.8	3.4	2	12.9	20.0		NM	8.7	NM
Alexander & Baldwin	67/ 67	3	15.0	16.4	0.5	12.3	5	5.8	7.8	2	14.5	31.7	low
Greyhound	42/ 28	4	13.8	8.9	0.3	4.2	7	–10.0	–9.3	3	4.0	–11.8	very low
Transway Intl	80/ 67	5	12.1	13.2	0.4	1.9	6	–2.4	14.9	4	–14.3	151.7	average
Chromalloy Amer	27/DD	6	0.5	def	0.9	def	8	–11.1	2.1		NM	D-D	NM
American President			NA	28.9	0.9	3.5	3	11.5	24.4		NM	500.0+	NM
Sea-Land			NA	8.9	0.7	2.1	4	6.7‡	9.4		NA	NA	NA
Medians			14.4	11.1	0.8	2.7		6.2	12.2		NM	31.7	
Industry medians			13.5	12.7	0.7	3.4		5.5	15.7		–5.5	23.7	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

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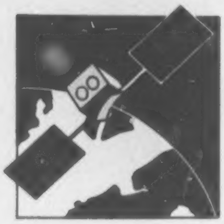
Sources: Media General Financial Services, Inc., Forbes

TELECOMMUNICATIONS



It is now one year after the AT&T divestiture. But don't think the commotion is over. Nearly all of these companies are struggling to deal with increased competition.

Breaking up AT&T was supposed to increase competition. Consumers would benefit from lower prices, based on true cost of service. Telecommunications companies would benefit from the freedom to enter new, fast-growing segments of the market.

That was the theory. But reality has been very different. Consumers aren't sure about whom they now call for telephone service or repairs. They are also confused about how to get the most economical long-distance service.

But while the public is merely bothered by divestiture, many of the companies in this industry seem bewitched and bewildered by the marketplace. Postpartum profitability is disappointing. Of the 16 communications carriers for which five-year return-on-equity figures are available, only 3 managed to do better than their averages during the latest 12 months.

This is a direct result of heightened competition, which has led to increased marketing costs. For the first time consumers have a real choice about whom they want to provide long-distance service. They are also realizing that they can buy their phones outright, instead of renting.

To gain a piece of the changing pie (or in some cases to keep what they have), all the phone companies have launched aggressive, and expensive, advertising and marketing campaigns. Cliff Robertson, the pitchman for

Telecommunications

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Carriers													
MCI		1	125.3%	3.7%	1.5	9.4%	1	82.6%	17.1%		NM	–87.5%	NM
United Telecom		2	18.2	14.0	1.0	8.9	6	11.7	6.0	6	0.6%	10.6	very low
Centel		3	17.9	16.6	1.1	8.9	3	14.7	10.5	1	6.3	7.4	very high
Alltel		4	15.7	14.9	1.4	9.1	4	13.9	10.8	4	4.0	0.7	average
Continental Telecom		5	15.6	15.0	1.3	8.2	2	18.1	8.2	5	3.7	11.6	very high
GTE	88/ 95	6	14.8	16.2	1.3	7.4	12	7.8	11.2	3	4.5	10.0	low
So New England Tel		7	13.1	14.4	0.6	10.2	5	12.5	6.6	2	6.3	4.9	average
U S West		8	12.4†	10.9	0.6	11.5	7	10.5‡	–4.6		NA	NA	NA
Bell Atlantic		9	12.2††	11.1	0.6	11.6	8	10.2‡	–6.2		NA	NA	NA
Pacific Telesis		10	11.1††	11.6	0.9	8.4		NA	–1.6		NA	NA	NA
Western Union		11	3.3	def	1.0	def	10	9.8	8.7		NM	P-D	NM

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Sources: Media General Financial Services, Inc.; Forbes

AT&T Long Distance, seems to be on television more often than Johnny Carson.

MCI provides an excellent example of the current turmoil. In 1981 the company, based in Washington, D.C., had only 1.5% of the long-distance market. It now has about 5%. But growth is becoming harder and more expensive. That's why its solid long-term profitability figure is testimony to past success rather than to current good times. Last year the company dropped monthly fees, lowered prices and introduced volume discounts in an effort to stay competitive. Sales kept growing, but profits were off substantially.

It's not surprising that AT&T has been hurt as well. How much? The effect is impossible to measure because comparisons with historical data make little sense. The giant company is struggling to reduce its work force and to make its manufacturing facilities more efficient. Equally important is the marketing challenge it faces. To benefit from its new freedom, AT&T must develop new products and a sales organization that can confront IBM. Neither is an easy task.

It is also too soon to make many meaningful comparisons among AT&T's offspring. The seven spunoff operating companies have been on their own for only one year, and no data are available to track their historical performance. Still, it is interesting to note that during the first nine months of 1984 these companies matched or exceeded predivestiture estimates.

The AT&T offspring recently won an important legal victory. In December they were granted the right to enter several new fields, if the diversifications aren't funded by customers of their regulated businesses. In terms of their domestic operations, Nynex, Pacific Telesis, Bell Atlantic and BellSouth can now sell, lease and service office equipment. Nynex, Pacific Telesis, U.S. West and Ameritech were also authorized to enter certain foreign ventures, including consulting and data processing.

Despite the bold plans of these new companies, most independent telephone companies failed to match five-year profitability averages during the most recent 12 months. GTE is one of the exceptions. It owns the largest non-Bell-related phone company, it serves nearly 12 million customers, and it registered solid gains in 1984. Much of the gain comes from strong profits at its local operating companies. Sprint, the long-distance service GTE acquired from Southern Pacific, is losing money.

Telecommunications manufacturers have been shaken by divestiture, too. IBM bought Rolm to expand its presence in the market for sophisticated switching gear. But there are two very different stories at ITT and Motorola, old-line equipment companies. ITT's communications earnings are depressed, in part because the company is spending heavily to launch its new System 12 digital switch. At Motorola profit comparisons are impressive.

Much of Motorola's gain stems from the booming demand for cellular radio-telephones. That piece of its business accounted for a 250% increase in operating profits at Motorola's communications division, which provides about one-third of the company's $4 billion in sales. Since Motorola both manufactures and installs cellular phones, it is doubly blessed by the boom in the number of people who want to make calls from their cars while they sit in traffic jams.

M/A-Com, which is enjoying an earnings turnaround, posted fat profit gains as well. The price of cable used to wire home television for pay-channel services stabilized, and the company is a major supplier in this market. Increased demand for wire and cable also helped Anixter Brothers. As a major distributor of these products, it has had a much longer customer list since the breakup of AT&T—and having more prospects nearly always leads to more sales. ■

Telecommunications

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Ameritech			NA	12.5%	0.6	11.8%	11	8.5%‡	–4.4%		NA	NA	NA
Amer Tel & Tel			NA	NA	NA	NA		NA	NA		NA	NA	NA
BellSouth			NA	11.5	0.6	12.8	9	10.1‡‡	–8.4		NA	NA	NA
NYNEX			NA	11.3	0.7	9.7		NA	–3.7		NA	NA	NA
Southwestern Bell			NA	11.3	0.7	11.3		NA	–8.2		NA	NA	NA
Medians			**14.8**	**11.6**	**0.9**	**9.4**		**11.1**	**6.0**		**3.9**	**6.2**	
Manufacturing													
Rolm		1	46.5%	8.1%	0.0	5.7%	1	55.7%	43.2%	1	42.4%	2.1%	very high
Anixter Bros	89/ 66	2	21.9	8.2	0.3	2.5	3	23.0	14.8	2	19.5	13.9	low
M/A-Com	64/ 44	3	19.7	9.8	0.3	4.6	2	51.0	20.6	3	15.7	25.0	average
Motorola	49/ 23	4	15.7	20.3	0.1	5.6	4	13.5	31.1	4	5.6	88.1	average
ITT	27/ 22	5	13.1	7.9	0.5	4.4	5	–1.9	9.0	5	2.4	–26.7	very low
Medians			**19.7**	**8.1**	**0.3**	**4.6**		**23.0**	**20.6**		**15.7**	**13.9**	
Industry medians			**15.7**	**11.3**	**0.6**	**8.9**		**12.5**	**8.2**		**0.6**	**7.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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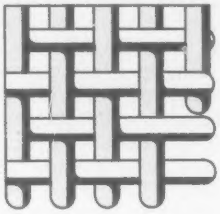
Sources: Media General Financial Services, Inc.; Forbes

TEXTILES



For many textile firms, 1984 was a record year. But the industry's recovery began to unravel in the final quarter. Put the blame on swollen inventories and rising imports.

TEXTILEMAKERS FINISHED one of their best years in a long time, but industry executives aren't euphoric. Instead they are deeply worried about the future. Foreign competition and bulging inventories sent the industry into a tailspin at the end of 1984.

"We've seen a tremendous decline in the last three months," says Harold Kingsmore, chief executive of Avondale Mills. "And, unfortunately, the fourth quarter is carrying over into the new year."

Most textile firms posted such huge gains in the beginning of 1984 that these more than offset the declines in the second half of the year, when business virtually collapsed. At West Point-Pepperell, for instance, earnings in the quarter ended Nov. 24 dropped 55% because of a $4.6 million loss on apparel fabrics. Still, many companies, including profit-leader Collins & Aikman, had record 12-month earnings. Nine of the 11 companies in this sector bested their five-year profitability averages, often doing so by wide margins.

The industry's big gains led to a record $1.72 billion worth of capital spending. That's a 21% increase over 1983, and the goal is to become more competitive. Still, cheap imports flooding into the U.S. from such sources as China and Hong Kong are a nagging worry.

In the middle of last year the Reagan Administration delayed for nearly two months imposing new, tougher import curbs on some products. That allowed an estimated $500 million of foreign goods to come into the country in time for the Christmas selling season. "Every ship in the world was on its way to the U.S. with textile products," says Kingsmore. "These inventories won't get flushed out until the spring of 1985." Not surprisingly, he doesn't think earnings at most companies will be strong next year.

The industry response is political. Right now textilemakers are lobbying Congress and the Administration for protectionist legislation, but they don't expect much success. "They talk about it a lot," says Alfred Crimmins, president of Collins & Aikman, "but I don't see any action forthcoming." ■

Textiles

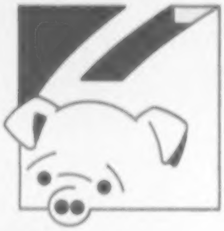
Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Collins & Aikman	85/ 70	1	12.4%	24.5%	0.3	5.2%	2	8.6%	29.8%	2	19.1%	74.4%	average
West Point-Pepperell	41/ 22	1	12.4	13.1	0.2	4.3	4	5.4	10.5	4	9.7	5.9	average
DWG	29/ 9	3	11.1	1.9	2.0	0.5	1	13.2	107.0	1	28.5	–93.4	high
Riegel Textile	86/ 59	4	10.3	10.8	0.4	1.9	3	5.6	4.5	7	–10.6	100.5	low
Celanese	50/ 75	5	9.9	16.4	0.7	3.4	7	3.3	7.4		NM	500.0+	NM
Springs Industries	53/ 64	6	9.5	9.9	0.1	4.1	5	4.8	9.5	3	14.0	28.9	low
Burlington Inds	62/ 65	7	7.5	5.2	0.4	3.0	6	4.1	6.0	5	0.7	–29.7	very low
M Lowenstein	80/NA	8	7.1	16.4	0.3	3.8	10	–2.1	16.7		NM	70.9	NM
Avondale Mills		9	5.5	13.4	0.2	3.5	8	2.4	2.8	6	–4.3	24.3	very low
J P Stevens	84/ 79	10	3.6	3.9	0.5	1.0	9	2.3	11.3		NM	12.8	NM
United Merchants	4CE/NA	11	def	9.6	0.8	2.0	11	–5.2	28.0		NM	D-P	NM
Medians			**9.5**	**10.8**	**0.4**	**3.4**		**4.1**	**10.5**		**–4.3**	**26.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

THRIFT INSTITUTIONS



Aside from the spectacular disaster at Financial Corp. of America, these firms are doing quite nicely. Adjustable-rate mortgages make up a good portion of the market. So it was damn the rising interest rates, full speed ahead.

IT WASN'T LONG AGO that these companies were the economy's basket cases, written off by critics and in need of emergency aid from regulators. But just when the future looked darkest, thrifts sprang back to life.

The industry is still wobbly, of course. After two years of profitability, median five-year return on equity is a paltry 4.1%. This is a far cry from 1982, when the entire sector ran deeply in the red. A good indication of that trouble is the welter of "not meaningful" designations in the earnings growth column. FORBES doesn't calculate this figure when the period includes negative numbers.

A few years ago S&Ls often paid at least 2% more for funds than their loan portfolios yielded. But now many institutions have switched the majority of their loan portfolios into adjustable-rate mortgages, which help immunize profit margins from interest-rate hikes.

Look at Great Western. Its current 10.4% profitability is nearly triple its five-year average. How come? For one thing, GW now has 50% of its portfolio in variable-rate or short-term loans, up from 25% one year ago. Home Federal, meanwhile, benefited from savvy diversification. Home gets a third of its earnings from a well-run southern California real estate development program.

Bad news continues to dominate the headlines. The biggest story of 1984 was the trouble at Financial Corp. of America, where bigger used to be better. Now the SEC has quashed the firm's questionable accounting practices, forcing it to restate earnings. Even so, FCA still suffers from one of the industry's worst records of bad loans.

FCA also carries mostly fixed-rate loans—fine when interest rates are stable or declining, but a drag on earnings when rates are on the rise. California Federal, another poor performer, suffered from a similar problem. But with smaller loan losses, the pain was less severe.

Statistical anomalies can skew results. Why did H.F. Ahmanson show a 41.6% earnings decline, even though 46% of its loan portfolio is in adjustable-rate obligations? Analyst Jonathan Gray of Sanford C. Bernstein notes that most 1983 profits were nonrecurring items, so comparisons may be misleading. ■

Thrift institutions

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Financial Corp of Amer	1	54.0%	def	0.5	9.4%	1	88.6%	136.1%	1	56.9%	P-D	average
Golden West Financial	2	14.8	33.2%	0.2	8.4	3	28.7	7.9		NM	2.2%	NM
City Federal S & L	3	12.2	39.3	0.0	6.3	2	44.2	42.7		NM	83.4	NM
H F Ahmanson	4	4.7	6.6	0.1	4.9	10	17.1	19.8		NM	–41.6	NM
Great Western Financial	5	3.5	10.4	0.9	3.7	8	21.0	76.7		NM	88.7	NM
Great Amer First Savings	6	3.3†	6.7	0.2	5.7	6	22.8‡	15.9		NA	NA	NA
Gibraltar Finl Corp Cal	7	def	20.0	0.5	5.1	9	17.9	40.2		NM	16.0	NM
Imperial Corp of Amer	8	def	def	1.1	def	11	14.3‡	32.4		NM	D-D	NM
CalFed		NA	9.7	0.2	5.2	4	26.9	30.6		NM	–29.3	NM
Glendale Federal S&L		NA	16.2	0.2	3.7	5	26.1‡	24.5		NM	16.8	NM
Home Federal S&L Cal		NA	9.9	0.3	5.0	7	21.0	23.0		NM	174.7	NM
Medians		4.1	9.9	0.2	5.1		22.8	30.6		NM	9.1	
All-industry medians		15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

TOBACCO

Sure, health fears are reducing the number of cigarettes sold, but it is still a very good business. Just ask all the big diversified companies in this industry. Tobacco is their most lucrative venture.

IT WOULD SEEM there is still hardly anything more profitable than manufacturing cigarettes. The big four in the business—R.J. Reynolds, Philip Morris, American Brands and Loews—are all heavily diversified, yet each shows a far higher percentage of profits than sales from its tobacco operations. Loews, for example, brought in 59% of earnings from tobacco on only 28% of its sales.

Of the four, Reynolds seems to have prospered the most relative to 1983. In that year its return on equity was 16.1%, compared with prime competitor Philip Morris' 23.7%. Last year Reynolds picked up nearly three points, to 19%, while PM improved by only one point, to 24.7%. As a partial result, Reynolds vaulted from fourth place to first in this Yardstick.

That position may be somewhat shaky. Unlike some other industries, where there is one big leader and a bunch of followers, in tobacco the top four Yardstick positions are separated by about three percentage points. A change in 12-month returns can alter the rankings.

Despite its move up, Reynolds suffered a substantial decline in sales growth last year, a 5.4% increase as opposed to a 15.2% increase over the last four years. Even though cigarette consumption is declining, these numbers were probably influenced by a surge of purchases to beat the 1983 doubling of the federal excise tax.

The amazing profitability of tobacco companies doesn't end after the top four firms in this list. Take Dibrell Brothers, which processes leaf tobacco. It managed a return on equity last year of 32.5% and carries a debt-to-equity ratio of only 0.2—hardly a laggard performance.

The same holds for two of the other three firms that make up the second half of this list. Standard Commercial Tobacco and Universal Leaf Tobacco are in businesses similar to Dibrell and boast five-year profitability averages of close to 19%, with little debt. Culbro Corp., much more a distributor than a manufacturer, had the lowest 12-month return, 10.4%. But even Culbro did better than in 1983, when its return on equity was a mere 7.2%. ■

Tobacco

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
R J Reynolds	44/ 71	1	24.6%†	19.0%	0.3	8.1%	1	15.2%‡	5.4%	5	9.4%‡	13.4%	high
Philip Morris	75/ 88	2	23.9	24.7	0.6	9.5	2	13.8	1.1	3	15.9	17.3	very high
American Brands	37/ 57	3	22.2	19.4	0.3	8.8	8	4.8	1.2	6	8.6	6.1	average
Loews	28/ 59	4	21.4	19.2	0.3	7.7	4	7.5	5.6	2	16.5	12.0	high
Std Commercial		5	19.1	14.7	0.3	1.7	3	12.4	0.9	7	8.6	14.7	low
Universal Leaf	67/ 79	6	19.0	19.3	0.1	3.8	7	6.0	5.3	4	12.7	17.9	very high
Culbro	72/ 62	7	16.7	10.4	0.4	1.3	5	7.3	80.8		NM	55.3	NM
Dibrell Brothers		8	16.2	32.5	0.2	3.3	6	6.8	–3.1	1	22.0	81.1	high
Medians			20.3	19.3	0.3	5.7		7.4	3.3		11.1	16.0	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46. *Sources: Media General Financial Services, Inc.; Forbes*

WHO'S WHERE IN GROWTH?

How the 1,000 top U.S. corporations stack up in sales and earnings growth over the past 5 years and the past 12 months.

BY THE LAWS of nature, let alone economics, dazzling growth is a sometime thing. Historically, sales and earnings increases that put a company near the top of the growth list in the Report on American Industry are just too hot not to cool down.

Take Apple Computer. It has been doubling, tripling or even quadrupling earnings and sales annually ever since it was formed in 1977. Apple was first in earnings growth for 1982, fifth the next year, and, among the 1,000 top U.S. corporations covered in this year's Report on American Industry, it stands first in five-year sales growth and second in earnings growth.

But that isn't the whole story. Look at the latest 12-month figures, where Apple, locked in a head-to-head battle with IBM in personal computers, shows a decrease in annual earnings for the first time in its brief and spectacular history. Other famous growth companies that have long ranked high in the ratings are in the same situation: First Boston, ranked third in five-year growth but down for the year; Nike, the footwear company, sixth on the list in five-year earnings but down sharply for the last 12 months; Federal Express; SEDCO, the offshore driller to be acquired by Schlumberger. Of the top ten companies in earnings growth, in fact, nine fell off from their historical averages in the latest 12 months.

By contrast, look at Toys "R" Us. The toy retailer was 32nd in earnings growth last year and 31st this year, ahead of the five-year base. That's stable growth.

Number one Jefferson Smurfit Corp., a 78%-owned U.S. subsidiary of Jefferson Smurfit Group of Ireland, has grown through acquisition. It has rapidly bought up companies in the U.S. paperboard and packaging industry, notably the $200 million-a-year operations of Diamond International.

Some of the most interesting companies are not at the top of the list at all. They are turnarounds such as Levitz Furniture and A.E. Staley, which had good earnings growth last year after years of stagnation. The publishing conglomerate Harcourt Brace Jovanovich reorganized and relocated to San Diego, Orlando and Cleveland from high-rent Manhattan, sharply slashing its overhead and increasing its earnings.

RCA, meanwhile, bit the bullet on its moneylosing videodisk-player business early in the year and, even after a pretax writedown of $175 million, managed an earnings increase. Its old competitor in TV sets, Zenith Electronics, turned around strongly on increased sales of color TVs and new products in cable and desktop computers. Chrysler Corp.'s turnaround started in 1983, so its five-year average is not meaningful, but Chrysler's earnings in the latest 12 months were up a spectacular 351%.

As for the companies that peaked and started down, was last year a watershed or merely an aberration? It's instructive to compare this year's growth list with that of a decade ago. Not a single company in the top 50 in growth for the year 1974 remains there today. The closest any of them came, in fact, is McDonald's ranking of 133rd this year; ten years ago it was 20th. Others are even further down the list now—Fairchild Industries stood 11th then and is 648th now—or worse: Charter, fifth in 1974, is in bankruptcy.

It's a nice lesson in humility. Getting to the top of the list in growth is hard enough. Staying there is well-nigh impossible. ■

Who's where in growth

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Jefferson Smurfit	1	139.4%	98.2%	10	56.4%	22.1%
Apple Computer	2	112.5	-18.0	1	154.3	54.2
First Boston	3	98.8	-28.4	17	47.2	26.8
G C Murphy	4	87.7	20.9	770	3.7	8.4
Price Co	5	80.9	86.8	5	83.8	80.3
NIKE	6	69.6	-56.1	8	65.5	6.1
SEDCO	7	63.4	-13.8	596	8.8	-8.9
Limited	8	62.4	38.0	32	35.9	17.1
First Executive	9	61.2	18.3	3	94.9	-1.4
Student Loan Marketing	10	60.1	40.9	7	70.9	37.7
Financial Corp of Amer	11	56.9	P-D	4	88.6	136.1
Zapata	12	55.9	-47.8	929	-3.0	-4.9
Sherwin-Williams	13	55.7	24.4	403	13.0	5.4
BRAE	14	52.0	90.3	2	146.2	24.2
Subaru of America	15	49.0	21.0	161	19.8	8.1
Humana	16	47.0	20.2	123	21.2	11.1
Wang Laboratories	17	44.4	27.2	14	51.6	41.4
Arden Group	18	42.8	100.0	857	1.1	-6.9
Comdisco	19	42.4	-41.0	72	26.8	2.8
Rolm	20	42.4	2.1	11	55.7	43.2
Donaldson,Lufkin & Jen	21	41.8	6.5	97	23.8	23.5
Valero Energy	22	41.1	P-D	574	9.3	13.1
Wal-Mart Stores	23	40.6	43.0	28	39.5	40.9
State Street Boston	24	40.5	-8.6	128	21.1	4.1
Saga	25	38.7	13.3	453	11.7	16.3
Federal Express	26	37.8	-5.0	19	44.9	43.8
VF	27	37.3	7.6	215	17.6	7.3
Brunswick	28	36.9	230.2	894	-0.6	21.6
Citizens & Southern Ga	29	36.3	19.1	243	16.6	17.4
General Cinema	30	34.6	-25.4	560	9.6	3.7
Toys "R"Us	31	34.4	40.5	53	30.2	29.5
Tandy	32	33.5	-4.8	183	18.6	8.2
Natl Medical Enterprises	33	32.4	17.4	13	54.8	15.5
Dillard Dept Stores	34	32.2	36.6	124	21.2	30.6
Texas Oil & Gas	35	31.9	17.0	101	23.1	11.6
Cooper Tire & Rubber	36	31.1	-49.0	405	13.0	19.3
Bruno's	37	30.8	20.4	226	17.2	21.7
Oxford Industries	38	30.3	-10.7	199	18.2	10.2
Shopwell	39	30.0	-88.5	411	12.9	10.1
Global Marine	40	29.7	P-D	40	33.4	-11.3
Hospital Corp of Amer	41	29.1	20.9	26	39.8	6.7
Turner Construction	42	28.8	3.5	312	14.8	-9.9
New York Times	43	28.7	37.0	261	16.1	14.0
DWG	44	28.5	-93.4	391	13.2	107.0
Perini	45	28.4	-42.0	217	17.5	-6.1
Stop & Shop Cos	46	28.0	21.6	584	9.0	19.6
Pulte Home	47	27.3	-51.1	60	28.8	15.1
Trust Co of Georgia	48	27.0	27.8	130	21.0	15.9
American Stores	49	26.8	28.0	24	41.3	15.3
Prime Computer	50	26.8	55.4	25	40.9	25.0
Waste Management	51	26.7	7.9	54	30.1	16.9
Brown-Forman	52	26.4	-23.5	190	18.5	54.0
Allegheny Beverage	53	26.3	-4.0	23	41.7	23.3
Beverly Enterprises	54	25.7	18.2	12	55.3	29.0
First Atlanta	55	25.7	17.7	195	18.3	30.6
Bergen Brunswig	56	25.1	-3.3	79	26.1	20.1
Big Bear	57	25.0	-0.6	444	12.0	6.1
E F Hutton Group	58	24.7	-75.2	46	31.7	16.0
MEI	59	24.5	15.5	88	25.1	19.4
Amer Medical Intl	60	24.5	1.9	42	33.1	11.5
Gap Stores	61	24.4	-13.3	398	13.1	11.7
E-Systems	62	24.3	14.7	134	20.9	0.0
FoxMeyer	63	24.1	5.3	22	42.1	43.5
Zayre	64	23.7%	34.3%	394	13.2%	22.6%
Allied Bancshares	65	23.7	11.2	18	45.4	34.4
CFS Continental	66	23.6	19.3	496	11.0	17.0
Browning-Ferris Inds	67	23.6	8.3	212	17.8	18.6
Merrill Lynch	68	23.5	-95.9	48	31.4	-1.0
ServiceMaster Inds	69	23.4	19.8	139	20.7	22.1
G Heileman Brewing	70	23.0	-8.6	93	24.6	8.0
Marriott	71	23.0	19.5	171	19.2	22.5
Portland General Elec	72	22.8	46.0	301	15.2	20.4
Phibro-Salomon	73	22.5	1.2	99	23.7	0.9
Sysco	74	22.3	13.3	176	18.9	19.0
Standard Oil Ohio	75	22.1	-7.5	211	17.9	1.5
Anheuser-Busch Cos	76	22.0	14.1	140	20.6	11.7
Rite Aid	77	22.0	33.6	327	14.5	5.4
Dibrell Brothers	78	22.0	81.1	668	6.8	-3.1
PHH Group	79	22.0	4.9	43	32.9	-4.7
Todd Shipyards	80	21.7	12.4	467	11.5	-12.3
Food Lion	81	21.4	27.5	49	31.2	23.9
Warnaco	82	21.3	-1.5	755	4.1	11.9
R H Macy	83	21.1	6.4	378	13.5	15.2
Murphy Oil	84	21.0	-32.3	263	16.1	-15.2
Bindley Western Ind	85	20.9	8.5	146	20.3	14.7
Giant Food	86	20.8	12.4	399	13.1	6.6
Eastern Gas & Fuel	87	20.7	51.0	385	13.4	8.7
Dean Foods	88	20.7	23.5	324	14.6	11.5
Hewlett-Packard	89	20.6	53.3	115	21.9	28.3
EG&G	90	20.4	20.8	290	15.4	19.0
Rose's Stores	91	20.4	15.5	512	10.5	17.2
Jerrico	92	20.1	4.8	307	15.0	8.5
Ames Department Stores	93	20.0	53.5	189	18.5	58.0
United States Shoe	94	20.0	-5.9	441	12.0	16.5
Texas Commerce Bancshrs	95	20.0	2.6	67	27.4	19.8
Outboard Marine	96	20.0	33.6	816	2.5	16.9
Morton Thiokol	97	19.8	23.6	367	13.7	13.3
Dow Jones	98	19.7	22.6	177	18.8	13.5
Advanced Micro Devices	99	19.6	276.7	77	26.2	97.0
Hannaford Bros	100	19.6	2.0	519	10.3	10.0
Anixter Bros	101	19.5	13.9	103	23.0	14.8
Republic New York	102	19.5	-0.5	37	34.6	4.6
Payless Cashways	103	19.4	0.0	68	27.1	11.1
Walgreen	104	19.4	21.9	316	14.7	16.3
Deluxe Check Printers	105	19.2	17.9	318	14.7	9.4
Bankers Trust New York	106	19.1	17.2	247	16.5	17.2
Collins & Aikman	107	19.1	74.4	602	8.6	29.8
Schlumberger Limited	108	19.0	0.8	235	16.9	4.3
James River Corp of Va	109	18.8	13.6	16	50.5	27.8
Nordstrom	110	18.7	8.9	120	21.5	25.5
Seagram	111	18.3	52.1	803	2.8	3.5
Dun & Bradstreet	112	18.1	144.6	315	14.8	15.3
Marine Midland Banks	112	18.1	-0.6	213	17.7	18.8
Fischbach	114	18.1	-52.6	273	15.7	-19.9
American Greetings	115	18.0	30.6	200	18.2	13.7
Waldbaum	115	18.0	-19.4	501	10.9	8.1
Midlantic Banks	117	17.9	0.0	92	24.7	42.3
G/D Searle	118	17.9	1.0	819	2.5	0.9
Wyman-Gordon	119	17.8	2.8	830	2.1	5.1
Abbott Laboratories	120	17.8	18.5	299	15.2	7.4
Purolator Courier	121	17.7	-39.6	364	13.8	14.0
Barnett Banks of Fla	122	17.7	18.0	47	31.6	34.3
Pay Less Drug Stores NW	123	17.6	29.8	129	21.1	8.2
Natl Convenience Stores	124	17.6	22.5	143	20.5	28.3
Meredith	125	17.6	4.1	528	10.2	3.8
SONAT	126	17.3	-1.5	113	21.9	0.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

	Earnings per share			Sales				Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Baxter Travenol Labs	127	17.2%	–15.2%	421	12.6%	0.2%	Thrifty Corp	190	13.4%	23.9%	564	9.5%	9.4%
Amer International Grp	128	17.1	–14.4	302	15.2	7.9	Albertson's	191	13.3	17.7	372	13.6	9.3
H J Heinz	129	17.1	15.8	419	12.7	7.0	Dover	192	13.3	33.3	317	14.7	19.5
Capital Cities Commun	130	17.0	25.0	259	16.2	22.4	General Mills	193	13.2	–10.6	450	11.7	1.1
Fleet Financial Group	131	17.0	10.4	192	18.4	30.0	Blount	194	13.2	32.1	368	13.7	9.2
Mercantile Stores	132	16.8	13.3	461	11.6	10.6	General Re	195	13.2	–39.3	275	15.7	10.5
McDonald's	133	16.7	15.1	414	12.8	12.4	Melville	196	13.0	19.2	216	17.5	17.8
Hartmarx	134	16.7	20.7	520	10.3	12.7	Bank of New York	197	13.0	10.2	104	22.8	11.9
Hershey Foods	135	16.7	11.7	295	15.3	10.4	Pioneer Hi-Bred Intl	198	13.0	58.4	340	14.3	41.7
Loews	136	16.5	12.0	645	7.5	5.6	Strawbridge & Clothier	198	13.0	24.1	555	9.8	14.7
Sovran Financial	137	16.5	5.8	223	17.3	9.6	Banc One	200	12.9	18.1	39	33.6	41.0
Primark	138	16.1	216.5	353	14.0	21.3	Consolidated Foods	201	12.9	13.3	453	11.7	–0.2
Transco Energy	139	16.1	16.8	43	32.9	–4.5	Nabisco Brands	202	12.9	8.4	705	5.6	6.8
Guardian Industries	140	16.0	7.3	219	17.4	13.4	Wisconsin Power & Light	203	12.8	–0.8	423	12.5	8.8
Philip Morris	141	15.9	17.3	363	13.8	1.1	Rohm & Haas	204	12.8	31.7	641	7.5	10.7
Associated Dry Goods	142	15.9	13.8	164	19.7	13.1	United Illuminating	205	12.8	–2.7	267	16.0	16.8
Bank of Boston	143	15.8	–16.3	188	18.5	16.5	Universal Leaf Tobacco	206	12.7	17.9	694	6.0	5.3
Revco D S	144	15.8	15.6	205	18.0	22.4	SCOA Industries	207	12.6	16.7	513	10.5	15.3
M/A-Com	145	15.7	25.0	15	51.0	20.6	Natl Service Industries	208	12.6	11.1	603	8.6	14.6
SmithKline Beckman	146	15.7	4.8	106	22.8	0.4	American Home Products	209	12.6	11.6	548	9.9	12.7
PNC Financial	147	15.5	9.8	125	21.2	14.6	Southern Company	210	12.6	28.2	350	14.0	13.9
Cox Communications	148	15.5	19.7	107	22.5	21.3	Unocal	211	12.5	7.5	491	11.1	6.8
McCormick	149	15.5	104.9	346	14.2	4.1	Sun Banks	212	12.5	8.9	64	27.8	60.3
Brown Group	150	15.4	6.3	610	8.4	6.1	RepublicBank	213	12.4	–25.4	95	24.1	21.1
Auto Data Processing	151	15.4	14.7	137	20.7	17.9	Atlantic Richfield	214	12.2	–55.6	266	16.0	0.8
Consolidated Edison	152	15.3	11.1	366	13.7	5.0	Northeast Utilities	215	12.1	23.8	208	17.9	12.4
Berkshire Hathaway	153	15.1	21.6	804	2.8	21.0	Wisconsin Elec Power	216	12.0	16.1	365	13.8	5.9
First Natl State Bancorp	154	15.1	41.3	109	22.3	9.2	Rockwell International	217	12.0	29.0	666	6.9	15.1
Fort Howard Paper	155	15.1	11.5	149	20.1	104.6	Williams Cos	218	12.0	500.0+	745	4.5	228.1
Shawmut	156	15.1	38.7	96	24.0	12.1	Service Merchandise	219	12.0	22.3	122	21.3	17.0
Wachovia	157	15.1	22.8	142	20.6	13.8	Avery International	220	12.0	41.7	551	9.8	19.5
United Virginia Bankshrs	158	14.9	6.9	224	17.2	16.3	Digital Equipment	221	12.0	85.4	81	25.8	36.4
Mitchell Energy & Dev	159	14.9	–18.6	62	28.5	–5.1	Ball Corp	222	12.0	16.8	383	13.4	15.6
Fleming Cos	160	14.8	17.0	254	16.3	15.8	Rykoff-Sexton	223	11.9	45.2	651	7.2	90.9
Super Valu Stores	160	14.8	7.5	343	14.2	16.1	First Union	224	11.8	15.7	84	25.4	22.7
Supermarkets General	162	14.8	3.6	477	11.3	7.9	BayBanks	225	11.8	3.2	187	18.6	20.4
Weis Markets	163	14.8	14.2	486	11.1	11.1	Mellon Bank	226	11.7	–13.2	76	26.4	25.3
Chemical New York	164	14.7	9.5	244	16.6	15.4	Pioneer	227	11.7	95.7	350	14.0	–5.2
Phillips-Van Heusen	164	14.7	27.1	623	8.1	14.9	J C Penney	228	11.6	15.3	838	1.8	12.9
Grumman	166	14.7	52.8	572	9.3	15.2	Cluett, Peabody	229	11.5	19.9	613	8.3	4.6
ConAgra	167	14.6	0.7	33	35.6	64.4	Gannett	229	11.5	12.9	214	17.6	12.8
Alexander & Baldwin	168	14.5	31.7	700	5.8	7.8	Shaklee	231	11.4	–62.7	343	14.2	–14.8
Media General	168	14.5	8.8	285	15.5	9.7	Roadway Services	232	11.4	6.5	763	3.9	16.9
A H Robins	170	14.3	–41.4	586	8.9	11.3	NCNB	233	11.3	8.2	83	25.4	30.9
CBT	171	14.2	0.6	111	22.2	32.7	First Wisconsin	234	11.3	–7.6	533	10.1	9.8
Archer Daniels Midland	172	14.2	–7.0	195	18.3	4.3	Figgie Intl Holdings	235	11.3	–6.4	855	1.1	7.0
R R Donnelley & Sons	173	14.2	16.0	335	14.3	15.7	Pfizer	236	11.3	15.7	577	9.2	7.1
Kansas City Power & Lt	174	14.1	17.7	484	11.2	8.0	New England Elec System	237	11.2	6.4	442	12.0	10.7
Bristol-Myers	175	14.1	15.9	556	9.8	7.4	Bank of New England	238	11.2	4.8	41	33.4	27.2
Wendy's International	176	14.1	26.3	52	30.4	32.7	Norstar Bancorp	239	11.1	1.5	58	29.6	51.0
Amer Hospital Supply	177	14.1	3.3	360	13.9	4.9	Kellogg	240	11.1	1.6	644	7.5	7.2
Springs Industries	178	14.0	28.9	734	4.8	9.5	Rohr Industries	240	11.1	33.7	390	13.3	7.9
CoreStates Financial	179	14.0	9.4	346	14.2	27.6	Curtice-Burns	242	11.0	19.6	312	14.8	23.0
San Diego Gas & Elec	180	14.0	12.1	127	21.1	5.4	IBM	243	11.0	21.2	359	13.9	15.6
Sanders Associates	181	13.9	10.3	38	33.9	29.1	Chesebrough-Pond's	244	11.0	–5.1	469	11.5	9.9
MCorp	182	13.9	–14.3	45	32.7	23.1	Carnation	245	11.0	8.6	704	5.6	2.7
Allegheny Power System	183	13.8	4.6	267	16.0	–1.6	Northern States Power	246	10.9	7.7	437	12.3	6.9
McGraw-Hill	184	13.8	13.9	487	11.1	7.9	Oklahoma Gas & Electric	247	10.9	–1.5	378	13.5	8.1
Cullum Companies	185	13.7	4.2	455	11.7	10.6	Equifax	248	10.9	7.3	592	8.8	4.5
Shell Oil	186	13.5	14.2	443	12.0	4.9	Houston Natural Gas	249	10.9	–8.8	270	15.9	–8.3
Questar	187	13.5	–5.1	286	15.4	24.4	Texas Utilities	250	10.8	14.1	186	18.6	15.4
Southland	187	13.5	–0.9	108	22.5	50.1	Ohio Edison	251	10.8	23.7	430	12.4	8.1
Flowers Industries	189	13.4	12.9	416	12.7	14.6	Maryland National	252	10.8	16.8	245	16.5	28.4

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Ralston Purina	253	10.8%	3.9%	877	0.4%	2.2%
H H Robertson	254	10.7	–30.7	624	8.1	3.1
Dayton Power & Light	255	10.7	–16.8	388	13.3	9.5
So California Edison	255	10.7	3.9	305	15.0	9.4
Procter & Gamble	257	10.6	–4.9	587	8.9	5.0
Engelhard	258	10.6	–30.3	611	8.3	5.1
Universal Foods	258	10.6	–41.2	340	14.3	11.2
Kaman	260	10.5	39.8	467	11.5	19.6
Citicorp	261	10.5	–6.8	206	18.0	15.9
Security Pacific	262	10.5	6.1	135	20.8	16.5
Capital Holding	263	10.4	5.8	55	29.9	14.3
Amer District Telegraph	264	10.4	–52.6	447	11.8	4.1
Montana Power	264	10.4	–36.3	522	10.3	3.9
J P Morgan	266	10.4	7.7	145	20.3	4.1
Clorox	267	10.3	3.1	869	0.7	7.9
Torchmark	267	10.3	26.9	71	26.9	14.4
Kansas Power & Light	269	10.3	22.8	169	19.3	151.1
Whirlpool	270	10.3	11.2	760	3.9	23.1
Super Food Services	271	10.3	13.4	465	11.6	5.4
Johnson & Johnson	272	10.3	–5.7	481	11.2	2.8
Consol Natural Gas	273	10.2	16.9	249	16.4	10.0
Intl Multifoods	273	10.2	–27.6	795	3.1	3.6
Rochester Gas & Elec	275	10.2	14.6	258	16.2	7.3
Gerber Products	276	10.1	14.8	581	9.1	10.5
Washington Gas Light	277	10.1	20.0	174	19.0	11.8
Standard Oil Indiana	278	10.1	21.0	378	13.5	–0.4
Iowa-Illinois Gas & El	279	10.1	–10.9	418	12.7	16.2
General Electric	280	10.0	12.2	687	6.2	2.1
Freeport-McMoran	281	10.0	67.1	165	19.6	6.4
Ruddick	282	10.0	12.9	659	7.0	34.9
Control Data	283	10.0	–68.6	517	10.4	10.9
Pillsbury	284	9.7	17.6	253	16.4	12.0
West Point-Pepperell	285	9.7	5.9	712	5.4	10.5
Amer Natural Resources	286	9.6	10.0	298	15.3	8.8
PacifiCorp	287	9.6	10.5	114	21.9	11.8
Chase Manhattan	288	9.5	–14.1	279	15.6	10.1
R J Reynolds Industries	289	9.4	13.4	302	15.2	5.4
Morrison-Knudsen	290	9.4	7.5	156	19.9	–5.8
Lowe's Companies	291	9.3	36.5	541	10.0	26.7
May Department Stores	292	9.3	21.3	567	9.5	14.8
Washington Post	293	9.3	29.5	494	11.0	12.6
Farmers Group	294	9.2	14.6	300	15.2	14.8
Potomac Electric Power	294	9.2	20.9	474	11.4	1.5
Exxon	296	9.2	22.9	642	7.5	7.1
Brooklyn Union Gas	297	9.1	2.9	166	19.6	10.4
Borden	298	9.1	11.7	856	1.1	9.8
Pacific Lighting	298	9.1	–33.5	112	21.9	0.8
Eli Lilly	300	9.0	13.5	523	10.3	2.8
Ametek	301	9.0	35.2	698	5.9	17.7
McDonnell Douglas	302	8.9	23.7	357	13.9	14.1
Niagara Mohawk Power	302	8.9	9.1	271	15.8	7.2
Emerson Electric	304	8.9	15.4	544	10.0	20.2
Teledyne	305	8.8	28.9	771	3.7	19.5
Federated Dept Stores	306	8.8	–2.5	541	10.0	10.3
Southwestern Public Svc	307	8.8	8.9	283	15.5	11.1
Denny's	308	8.8	0.7	328	14.4	10.5
Harvey Hubbell	309	8.7	31.9	594	8.8	10.1
Masco	310	8.7	22.2	504	10.8	6.9
Hanover Insurance Cos	311	8.7	–45.9	558	9.7	10.4
Commonwealth Energy	312	8.7	24.1	373	13.6	12.3
Genuine Parts	312	8.7	13.2	422	12.6	11.7
National Fuel Gas	314	8.7	69.4	333	14.3	9.2
American Brands	315	8.6	6.1	734	4.8	1.2
Cleveland Electric	315	8.6%	14.6%	497	10.9%	–0.8%
Federal Paper Board	315	8.6	424.1	618	8.2	14.8
Holiday Inns	318	8.6	8.6	667	6.8	12.9
Winn-Dixie Stores	319	8.6	6.3	535	10.1	4.3
Std Commercial Tobacco	320	8.6	14.7	432	12.4	0.9
Kentucky Utilities	321	8.4	13.5	464	11.6	6.9
GEICO	322	8.4	18.4	717	5.2	11.9
Irving Bank	323	8.3	9.2	220	17.4	10.6
Nalco Chemical	324	8.3	23.7	697	6.0	8.1
Big V Supermarkets	325	8.2	–65.0	428	12.4	0.2
Longs Drug Stores	326	8.1	13.0	408	12.9	8.7
Public Service Indiana	327	8.1	–50.8	548	9.9	6.6
Mercantile Bancorp	328	8.1	7.5	322	14.6	7.9
Central Illinois Light	329	8.0	–5.4	523	10.3	3.5
Westinghouse Electric	330	8.0	25.4	620	8.2	4.5
Knight-Ridder Newspapers	331	8.0	19.1	502	10.9	13.8
Manufacturers Hanover	331	8.0	–14.2	109	22.3	17.3
Gillette	333	8.0	10.3	739	4.6	3.2
Commonwealth Edison	334	7.9	–3.2	354	14.0	8.4
IPALCO Enterprises	334	7.9	2.2	680	6.4	8.2
AMP	336	7.9	44.4	458	11.7	29.9
Raytheon	337	7.7	–23.6	395	13.1	12.2
Sonoco Products	338	7.6	33.9	420	12.6	12.6
Wisconsin Public Service	339	7.5	9.9	350	14.0	5.8
Kellwood	340	7.5	9.3	792	3.1	8.2
Worthington Industries	341	7.5	43.7	179	18.8	36.3
Texas American Bancshrs	342	7.5	–2.7	79	26.1	16.4
Reading & Bates	343	7.4	–88.8	130	21.0	–16.6
Entex	344	7.3	0.7	227	17.1	9.9
Baltimore Gas & Elec	345	7.3	23.8	424	12.5	8.1
Raychem	346	7.3	–4.5	182	18.7	8.1
Colgate-Palmolive	347	7.2	–2.1	815	2.6	1.4
Pacific Gas & Electric	348	7.1	8.1	319	14.7	8.3
McDermott International	349	7.1	–58.2	843	1.7	–7.0
Sterling Drug	350	6.8	6.9	648	7.3	0.0
Merck	351	6.8	8.6	547	9.9	8.5
Ryder System	352	6.5	39.3	293	15.3	36.9
Quaker State Oil	353	6.5	–11.4	471	11.5	2.4
Campbell Soup	354	6.5	15.8	520	10.3	11.1
Marsh & McLennan Cos	354	6.5	–32.1	238	16.8	12.2
Rorer Group	354	6.5	7.2	264	16.1	16.9
CSX	357	6.4	23.7	598	8.7	55.7
Duquesne Light	358	6.4	15.3	663	7.0	10.6
Central & South West*	359	6.4	18.1	277	15.7	7.2
Centel	360	6.3	7.4	320	14.7	10.5
So New England Tel	361	6.3	4.9	424	12.5	6.6
Philadelphia Electric	362	6.2	5.7	356	13.9	12.0
Allied Stores	363	6.2	7.3	426	12.5	9.9
American General	364	6.2	–5.2	239	16.8	33.5
Coca-Cola	364	6.2	14.5	592	8.8	5.8
Piedmont Aviation	366	6.2	190.6	59	29.1	42.6
Utah Power & Light	367	6.1	–9.9	311	14.8	12.5
Arkla	368	6.1	–23.1	150	20.0	3.4
Duke Power	368	6.1	8.0	430	12.4	10.8
United Technologies	370	6.0	27.1	222	17.3	10.7
Public Service Colorado	371	5.9	20.2	206	18.0	4.7
First Chicago	372	5.9	–70.1	286	15.4	14.9
Illinois Power	373	5.8	12.1	370	13.7	1.5
Orange & Rockland Utils	373	5.8	8.4	314	14.8	5.0
Union Electric	373	5.8	2.6	589	8.9	4.7
Provident Life & Acc	376	5.8	30.9	710	5.4	22.6
Southeast Banking	377	5.8	4.1	119	21.6	18.3
Emhart	378	5.7	16.3	759	3.9	9.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months
Central Hudson Gas & El	379	5.7%	13.9%	178	18.8%	8.8%
Central Illinois Pub Sv	380	5.6	–13.2	499	10.9	–2.6
First Bank System	381	5.6	–8.4	137	20.7	20.2
Motorola	382	5.6	88.1	381	13.5	31.1
Gulf States Utilities	383	5.5	–3.3	304	15.1	7.8
Hilton Hotels	384	5.4	–11.6	652	7.2	0.8
Jack Eckerd	385	5.4	18.8	279	15.6	12.8
Delmarva Power & Light	386	5.4	11.2	435	12.3	7.9
Borg-Warner	387	5.4	16.9	637	7.8	14.6
Nash Finch	388	5.3	1.7	615	8.3	6.0
Amer National Insurance	389	5.3	0.3	728	4.9	–1.3
Kelly Services	390	5.2	66.7	492	11.0	47.1
Toledo Edison	391	5.2	6.2	600	8.7	5.8
ENSERCH	392	5.2	–30.5	236	16.9	–0.8
Perkin-Elmer	393	5.2	52.7	412	12.8	18.2
Avnet	394	5.0	53.4	692	6.1	37.5
NY State Electric & Gas	395	5.0	16.4	361	13.9	11.8
DeSoto	396	4.9	18.5	872	0.7	14.0
Atlantic City Electric	397	4.9	–1.2	269	15.9	9.1
Air Products & Chems	398	4.8	31.1	576	9.2	6.7
Illinois Tool Works	399	4.8	15.5	668	6.8	21.2
Maytag	400	4.7	16.5	479	11.3	9.7
Times Mirror	401	4.7	34.4	463	11.6	14.5
Columbia Gas System	402	4.7	15.6	225	17.2	1.7
Cabot	403	4.7	51.0	274	15.7	12.5
Panhandle Eastern	404	4.6	7.7	159	19.8	0.1
Pitney Bowes	405	4.6	65.7	256	16.3	7.0
Louisville Gas & Elec	406	4.5	20.6	322	14.6	7.6
North American Coal	407	4.5	80.8	535	10.1	12.8
GTE	408	4.5	10.0	634	7.8	11.2
TECO Energy	408	4.5	15.5	469	11.5	8.5
American Express	410	4.4	–44.3	163	19.7	25.6
Life Investors	411	4.4	15.9	100	23.5	14.1
USAir Group	411	4.4	79.6	148	20.1	17.0
General Foods	413	4.3	21.0	517	10.4	4.3
Alco Standard	414	4.2	5.6	403	13.0	23.6
MidCon	414	4.2	18.2	162	19.7	25.3
CBI Industries	416	4.2	–25.7	348	14.1	–26.9
Dart & Kraft	417	4.1	8.7	722	5.1	1.5
InterNorth	418	4.1	63.8	144	20.4	36.4
First Interstate Bancorp	419	4.1	7.3	209	17.9	12.6
Tesoro Petroleum	419	4.1	–80.7	460	11.7	10.8
Greyhound	421	4.0	–11.8	978	–10.0	–9.3
W W Grainger	422	4.0	35.4	673	6.7	22.9
Diversified Energies	423	4.0	60.6	157	19.8	11.3
Alltel	424	4.0	0.7	355	13.9	10.8
Squibb	425	3.9	11.6	792	3.1	5.2
Centex	426	3.9	1.2	760	3.9	17.1
Texaco	426	3.9	–11.8	655	7.1	–4.0
Martin Marietta	428	3.9	P-D	203	18.1	34.8
Burlington Northern	429	3.9	34.4	450	11.7	82.8
Sears, Roebuck	430	3.8	18.0	639	7.7	12.8
Old Republic Intl	431	3.8	6.7	608	8.5	49.0
Business Men's Assur Co	432	3.7	–1.0	681	6.4	23.0
Continental Telecom	433	3.7	11.6	204	18.1	8.2
Dominion Resources	434	3.7	16.8	448	11.8	2.4
Rainier Bancorporation	435	3.6	34.1	291	15.4	15.1
Wells Fargo	436	3.6	11.1	265	16.0	9.5
George A Hormel	437	3.5	5.9	827	2.3	2.6
Whittaker	438	3.5	58.1	370	13.7	–6.0
Ex-Cell-O	439	3.4	5.9	736	4.8	15.0
Combined International	440	3.4	16.9	260	16.1	2.0
Iowa Resources	441	3.4	–2.4	332	14.3	18.6
Church's Fried Chicken	442	3.3%	–10.0%	620	8.2%	16.7%
Tyson Foods	442	3.3	64.1	234	16.9	24.3
Intl Flavors & Frag	444	3.3	3.3	753	4.2	2.6
Monsanto	445	3.3	43.2	772	3.7	11.0
Florida Progress	446	3.2	4.2	401	13.0	1.9
PPG Industries	447	3.2	47.1	730	4.9	16.4
Johnson Controls	448	3.2	12.9	329	14.4	7.7
Wm Wrigley Jr	449	3.1	9.5	708	5.4	2.0
North American Philips	450	3.1	38.9	480	11.3	19.0
Dexter	451	3.1	1.7	646	7.4	15.1
Honeywell	451	3.1	28.0	548	9.9	5.4
Safeway Stores	453	3.0	–0.9	611	8.3	5.3
Long Island Lighting	454	3.0	7.5	289	15.4	12.5
Detroit Edison	455	3.0	3.7	432	7.9	8.3
Huntington Bancshares	456	3.0	43.6	87	25.2	14.7
Magic Chef	456	3.0	77.7	221	17.4	37.2
Arizona Public Service	458	3.0	3.2	325	14.6	9.3
Chevron	459	3.0	–6.8	764	3.9	–2.8
Kroger	460	2.9	1.0	408	12.9	5.7
KN Energy	461	2.9	–13.8	497	10.9	–1.0
Goodyear Tire & Rubber	462	2.8	57.6	743	4.5	20.1
American Petrofina	463	2.8	9.0	436	12.3	0.5
NBD Bancorp	464	2.8	11.3	282	15.5	12.2
Santa Fe Southern	464	2.8	–38.1	786	3.2	11.7
Florida Power & Light	466	2.7	–8.1	281	15.6	20.1
Puget Sound Power & Lt	467	2.7	–9.6	272	15.8	27.4
Cincinnati Gas & Elec	468	2.7	–16.1	407	12.9	6.7
Public Service E&G	469	2.7	16.3	374	13.6	6.7
Roper Corp	470	2.6	53.8	844	1.7	18.8
Laclede Gas	471	2.6	75.0	377	13.5	4.9
PepsiCo	472	2.6	19.8	389	13.3	17.9
Olin	473	2.6	60.2	776	3.5	10.2
Ethyl	474	2.5	31.3	806	2.8	3.8
So Carolina Elec & Gas	475	2.5	26.1	284	15.5	14.1
FMC	476	2.5	46.1	795	3.1	4.9
ITT	477	2.4	–26.7	915	–1.9	9.0
MCA	478	2.4	–37.8	652	7.2	–4.9
Snap-On Tools	479	2.3	51.1	650	7.3	18.1
General Instrument	480	2.3	–53.9	506	10.8	9.6
Kerr-McGee	481	2.3	–32.7	475	11.4	–1.0
Boston Edison	482	2.2	17.0	414	12.8	23.7
Kidde	483	2.2	–5.5	799	2.9	12.8
U S Bancorp	484	2.2	14.1	278	15.6	12.8
Jefferson-Pilot	485	2.1	36.9	679	6.4	3.9
Transworld	486	2.1	129.7	617	8.2	8.5
General Signal	487	2.0	26.5	614	8.3	16.4
Foster Wheeler	488	2.0	–33.1	876	0.5	–13.7
Minn Mining & Mfg	489	2.0	12.1	626	8.1	10.8
Dennison Manufacturing	490	1.9	28.4	578	9.1	14.0
Richardson-Vicks	490	1.9	46.0	543	10.0	9.2
Adolph Coors	492	1.9	–39.7	507	10.7	5.6
Scott & Fetzer	493	1.8	32.0	804	2.8	11.9
Stanadyne	494	1.8	105.1	887	–0.3	36.2
Tyco Laboratories	495	1.8	66.3	56	29.8	19.6
Society	496	1.7	9.9	168	19.5	26.6
Lucky Stores	497	1.7	–15.8	439	12.1	8.1
Pennsylvania Power & Lt	498	1.6	2.3	510	10.6	36.0
Ceco Industries	499	1.6	–8.4	715	5.3	21.3
Echlin	500	1.5	41.3	249	16.4	22.1
K mart	501	1.5	31.9	552	9.8	11.0
Consol Freightways	502	1.4	15.2	941	–4.4	23.0
Tenneco	503	1.4	–5.8	511	10.6	3.1
Amer Broadcasting Cos	504	1.3	27.4	530	10.2	29.5

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

	Earnings per share			Sales				Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Middle South Utilities	504	1.3%	18.7%	369	13.7%	7.6%	Household International	568	–2.2%	17.1%	432	12.4%	4.3%
Upjohn	506	1.3	13.6	631	8.0	11.2	NCR	569	–2.3	28.0	670	6.8	8.3
Mobil	507	1.2	–11.3	559	9.7	2.5	Insilco	570	–2.3	1.6	661	7.0	18.3
Pay'n Save	508	1.2	–13.3	334	14.3	14.3	CIGNA	571	–2.4	–79.3	603	8.6	12.3
Lear Siegler	509	1.2	25.1	742	4.6	42.7	Penn Traffic	572	–2.4	–20.5	605	8.6	12.1
Carolina Power & Light	510	1.1	14.7	326	14.6	14.6	Schering-Plough	573	–2.5	–3.6	540	10.0	0.2
MGM/UA Entertainment	511	1.1	–11.5	27	39.5	–2.2	Travelers	574	–2.5	–0.3	489	11.1	9.6
Valley National	512	1.1	12.8	173	19.1	14.6	Houston Industries	575	–2.6	153.7	86	25.2	7.7
CPC International	513	1.0	–34.8	751	4.2	7.4	First Security	576	–2.6	–82.3	357	13.9	9.5
Holly Corp	514	1.0	346.3	193	18.3	–7.4	Safeco	577	–2.6	43.3	564	9.5	12.5
Witco Chemical	515	0.9	37.3	434	12.3	11.8	Intel	578	–2.7	170.4	185	18.6	50.2
USLIFE	516	0.9	–0.8	640	7.7	12.7	Phillips Petroleum	579	–2.9	40.4	228	17.1	2.3
Kimberly-Clark	517	0.8	22.8	495	11.0	11.1	Yellow Freight System	580	–2.9	19.2	690	6.2	26.6
Burlington Industries	518	0.7	–29.7	756	4.1	6.0	Federal-Mogul	581	–3.0	26.0	714	5.3	24.6
Tosco	519	0.7	P-D	597	8.7	14.7	Northern Trust	582	–3.0	–13.7	275	15.7	6.1
Harcourt Brace Jovan	519	0.7	235.5	583	9.0	13.0	McKesson	583	–3.2	–0.3	733	4.8	14.0
Levi Strauss	521	0.7	–50.1	580	9.1	–3.5	Wetterau	584	–3.2	14.1	126	21.2	24.2
Kaneb Services	522	0.6	P-D	393	13.2	–0.4	Edison Brothers Stores	585	–3.2	22.1	683	6.3	10.0
United Telecom	523	0.6	10.6	450	11.7	6.0	Walt Disney Productions	586	–3.3	–77.4	482	11.2	26.7
Sun Company	524	0.5	–12.3	337	14.3	2.6	Tektronix	587	–3.3	140.0	320	14.7	14.5
Great Northern Nekoosa	525	0.5	68.6	569	9.5	22.3	Hammermill Paper	588	–3.3	212.5	466	11.5	21.5
AmeriTrust	526	0.5	14.3	601	8.6	10.8	Chubb	589	–3.4	–44.2	566	9.5	13.4
National City	527	0.5	26.1	198	18.2	6.3	Transamerica	590	–3.4	–35.6	740	4.6	9.5
Interpublic Group	528	0.4	33.9	382	13.5	10.7	Bausch & Lomb	591	–3.4	33.9	777	3.5	39.2
Lincoln National	529	0.3	17.6	446	11.9	13.9	Sundstrand	592	–3.4	31.7	737	4.7	7.6
Moore Corp	530	0.1	–1.2	681	6.4	10.3	Westvaco	592	–3.4	100.0	702	5.7	18.3
Tecumseh Products	531	0.0	44.4	901	–0.9	19.7	Puebio International	594	–3.5	128.3	473	11.4	9.7
Texas Eastern	532	0.0	21.9	116	21.8	6.8	Reichhold Chemicals	595	–3.7	49.8	891	–0.5	3.7
American Electric Power	533	0.0	33.8	397	13.1	17.9	Pacific Resources	596	–4.0	P-D	63	27.9	26.6
Levitz Furniture	533	0.0	100.5	810	2.6	32.7	Intl Minerals & Chems	597	–4.0	5.0	839	1.8	8.3
Big Three Industries	535	0.0	4.2	490	11.1	13.4	Boeing	598	–4.1	117.5	449	11.8	–10.4
Hoover Universal	536	–0.1	17.0	767	3.8	10.2	Atlanta Gas Light	599	–4.2	44.7	141	20.6	10.1
Computer Sciences	537	–0.1	23.9	296	15.3	–3.2	Square D	600	–4.2	71.3	571	9.4	24.3
Vulcan Materials	538	–0.1	78.3	791	3.1	26.8	Avondale Mills	601	–4.3	24.3	821	2.4	2.8
St Paul Cos	539	–0.2	P-D	630	8.0	20.0	CNA Financial	602	–4.4	–2.9	676	6.6	12.9
Halliburton	540	–0.3	4.3	809	2.6	–5.6	Heck's	603	–4.4	–43.8	675	6.6	8.3
Pennzoil	541	–0.4	43.4	657	7.1	13.0	Best Products	604	–4.5	–23.3	98	23.8	15.2
TRW	542	–0.5	40.6	672	6.7	10.3	Union Pacific	605	–4.6	–19.0	136	20.7	–0.6
Dayton-Hudson	543	–0.5	13.0	180	18.8	17.6	ARA Services	606	–4.7	15.8	572	9.3	11.3
Consumers Power	544	–0.6	–20.2	525	10.3	19.1	Crown Cork & Seal	607	–4.7	43.1	884	–0.1	2.6
Union Camp	544	–0.6	50.4	689	6.2	18.4	Idle Wild Foods	607	–4.7	1.7	728	4.9	24.1
W R Grace	546	–0.6	23.5	664	7.0	9.9	Norfolk Southern	609	–4.7	38.3	701	5.8	13.6
Seaway Food Town	547	–0.7	–51.3	484	11.2	–1.3	Becton, Dickinson	610	–4.8	77.2	509	10.7	0.7
Comerica	548	–0.9	8.5	184	18.6	28.8	American Family	611	–5.0	45.3	202	18.1	19.4
Hawaiian Electric Inds	549	–0.9	61.2	158	19.8	7.0	Leaseway Transportation	612	–5.0	6.9	638	7.7	13.6
American Cyanamid	550	–0.9	45.6	743	4.5	10.0	Palm Beach	613	–5.0	28.0	297	15.3	1.5
Norwest	551	–1.0	–48.6	116	21.8	12.9	Equitable of Iowa Cos	614	–5.1	–40.2	500	10.9	4.2
Commercial Metals	552	–1.1	20.0	808	2.7	36.6	WICOR	615	–5.2	101.3	152	20.0	10.5
Hercules	553	–1.1	28.5	724	5.1	6.0	No Indiana Public Svc	616	–5.3	12.5	309	14.9	9.7
Robertshaw Controls	553	–1.1	81.7	797	3.1	16.4	Carson Pirie Scott	617	–5.3	–42.4	194	18.3	23.6
Petrie Stores	555	–1.3	15.6	636	7.8	28.5	Tribune	618	–5.4	6.2	527	10.2	12.5
Gordon Jewelry	556	–1.3	32.4	508	10.7	6.6	Ohio Casualty	619	–5.4	–51.4	730	4.9	7.1
Federal Co	557	–1.4	80.5	546	9.9	17.3	Eastman Kodak	620	–5.5	9.5	609	8.4	–2.0
Quaker Oats	558	–1.5	117.2	561	9.6	25.4	First City Bancorp	621	–5.5	–53.9	74	26.6	14.9
Zurn Industries	559	–1.6	–9.9	816	2.5	0.1	Anderson, Clayton	622	–5.6	–19.4	828	2.3	18.2
Interco	560	–1.7	21.5	628	8.0	4.2	Liquid Air	623	–5.7	10.0	627	8.0	7.4
Consolidated Papers	561	–1.7	54.2	643	7.5	22.0	National Can	623	–5.7	116.5	662	7.0	17.6
Harris Corp	562	–1.8	23.7	400	13.1	37.0	Kemper	625	–5.7	–58.8	181	18.7	3.6
Peoples Energy	563	–2.0	65.6	535	10.1	13.9	Centerre Bancorporation	626	–5.7	0.0	217	17.5	6.0
Southern Union	564	–2.0	–28.4	392	13.2	–4.9	Scott Paper	627	–5.7	82.4	648	7.3	8.9
Stanley Works	565	–2.0	55.8	726	5.0	16.7	Briggs & Stratton	628	–5.9	80.9	748	4.3	32.2
Interlake	566	–2.1	243.3	942	–4.5	21.2	E I Du Pont de Nemours	629	–5.9	47.8	50	30.9	4.6
Oneok	567	–2.2	37.8	395	13.1	10.4	Bowater	630	–5.9	61.1	723	5.1	20.2

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Warner-Lambert	631	–5.9%	14.0%	858	1.1%	2.8%
IU International	632	–6.0	–59.6	939	–4.3	16.5
Emery Air Freight	633	–6.0	46.1	591	8.8	27.8
Central Steel & Wire	634	–6.2	30.7	952	–5.3	38.7
Nucor	635	–6.2	55.4	539	10.0	27.4
Manufacturers National	636	–6.3	6.2	375	13.5	11.1
A E Staley Mfg	637	–6.3	306.5	683	6.3	27.4
Amerada Hess	638	–7.0	20.7	487	11.1	5.5
CBS	639	–7.0	56.8	703	5.6	15.9
Louisiana Land & Explor	640	–7.1	17.4	232	17.0	11.1
Xerox	641	–7.4	–30.8	655	7.1	3.1
Tyler	642	–7.7	125.6	154	19.9	48.5
Bemis	643	–7.7	63.4	854	1.2	11.5
Handy & Harman	644	–7.7	61.3	879	0.3	12.7
Ogden	645	–7.8	–22.7	897	–0.8	0.3
Blue Bell	646	–7.9	30.2	652	7.2	–4.4
Parker-Hannifin	647	–8.0	114.2	584	9.0	27.5
Fairchild Industries	648	–8.1	39.4	427	12.5	–3.2
Central Soya	649	–8.2	–10.1	866	0.8	14.2
Lubrizol	650	–8.4	31.5	725	5.1	6.8
American Maize-Products	651	–8.7	192.6	869	0.7	20.4
Armstrong World Inds	652	–8.8	63.7	835	2.0	10.6
IC Industries	653	–8.9	152.8	718	5.2	1.7
Carter Hawley Hale	654	–8.9	83.1	516	10.5	29.2
Arvin Industries	655	–9.1	114.1	768	3.8	33.3
Harsco	656	–9.2	38.9	861	1.0	17.7
Di Giorgio	657	–9.3	–45.3	864	0.9	20.2
Newmont Mining	658	–9.6	–45.3	899	–0.9	12.4
Washington National	659	–9.8	–13.8	908	–1.3	–4.4
Corning Glass Works	660	–10.1	–23.6	740	4.6	8.8
SCM	661	–10.2	205.0	834	2.0	20.6
USF&G	661	–10.2	–10.9	765	3.8	15.0
Revlon	663	–10.5	43.2	515	10.5	1.6
White Consolidated Inds	664	–10.5	9.8	786	3.2	3.1
Riegel Textile	665	–10.6	100.5	706	5.6	4.5
BankAmerica	666	–10.7	–18.3	310	14.9	4.6
International Paper	667	–10.8	25.4	889	–0.4	10.4
H J Wilson	668	–11.0	–5.2	147	20.2	8.9
Avon Products	669	–11.3	–5.5	625	8.1	1.5
Marsh Supermarkets	670	–11.5	–45.5	590	8.9	1.8
McGraw-Edison	671	–11.6	27.9	343	14.2	7.5
Pennwalt	672	–11.7	75.0	893	–0.6	8.6
Ferro	673	–11.7	28.9	784	3.4	12.0
Carpenter Technology	674	–11.8	78.3	862	0.9	33.7
Beatrice	675	–11.9	500.0+	751	4.2	9.9
MAPCO	676	–11.9	36.8	56	29.8	4.7
Rollins	677	–12.1	56.1	892	–0.6	5.2
Research-Cottrell	678	–12.1	–39.2	503	10.9	–6.0
MGM Grand Hotels	679	–12.1	–25.9	754	4.2	5.3
Textron	680	–12.2	24.7	922	–2.4	9.6
Univar	681	–12.3	131.0	826	2.3	12.6
Burroughs	682	–12.4	118.6	417	12.7	15.1
Cooper Industries	683	–12.6	101.0	152	20.0	6.4
Natl Distillers & Chem	684	–12.7	47.4	678	6.5	88.2
United Energy Resources	685	–12.9	20.8	231	17.0	–4.6
Northwestern Natl Life	686	–12.9	35.8	30	38.1	35.5
United States Gypsum	687	–13.1	160.4	867	0.8	41.3
Pacific Gamble Robinson	688	–13.2	–65.0	693	6.1	8.5
Trinity Industries	689	–13.5	P-D	766	3.8	2.9
Godfrey	690	–14.0	27.9	567	9.5	6.6
Earle M Jorgensen	691	–14.1	84.4	953	–5.4	27.2
GenCorp	692	–14.2	57.9	902	–1.1	11.8
California First Bank	693	–14.3	–0.5	261	16.1	9.5

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Transway International	694	–14.3%	151.7%	923	–2.4%	14.9%
Dana	695	–14.3	157.3	812	2.6	33.2
Ryan Homes	696	–14.5	–23.9	775	3.5	3.6
Fieldcrest Mills	697	–14.5	–27.1	833	2.0	6.8
Owens-Illinois	698	–14.9	D-P	846	1.6	–1.4
Sperry	699	–14.9	63.1	800	2.9	3.5
Eagle-Picher Industries	700	–14.9	121.8	887	–0.3	32.1
Continental Illinois	701	–15.1	P-D	241	16.7	–4.9
Aetna Life & Casualty	702	–15.2	–49.9	616	8.3	2.0
Amdahl	703	–15.2	23.1	201	18.2	11.3
NICOR	704	–15.9	94.1	440	12.1	10.8
Champion Spark Plug	705	–16.0	47.3	853	1.2	8.8
Owens-Corning Fiberglas	706	–16.2	68.7	685	6.3	12.8
Skyline	707	–16.3	–1.4	974	–8.2	18.3
Polaroid	708	–16.4	21.1	917	–1.9	2.4
Gould	709	–16.6	7.2	967	–7.0	15.0
National Gypsum	710	–16.6	174.9	823	2.4	50.6
Norton	711	–17.0	103.9	782	3.4	4.9
Longview Fibre	712	–17.0	217.3	721	5.1	34.0
DEKALB AgResearch	713	–17.0	121.5	618	8.2	13.1
Foxboro	714	–17.1	–40.2	658	7.1	1.8
American Standard	715	–17.1	30.9	900	–0.9	50.7
Smart & Final Iris	716	–17.1	135.3	695	6.0	–16.1
Dow Chemical	717	–17.7	122.2	606	8.5	10.1
Data General	718	–17.8	220.8	240	16.7	40.0
General Public Utils	719	–17.9	128.9	335	14.3	7.7
Bally Manufacturing	720	–18.2	–92.1	35	34.8	17.1
Avco	721	–19.0	58.9	557	9.7	6.7
Fluor	722	–19.3	P-D	232	17.0	–18.7
PACCAR	723	–19.6	249.7	945	–4.8	75.0
Signal Cos	724	–20.6	202.5	538	10.1	7.0
Resorts International	725	–20.8	–25.5	579	9.1	–3.3
U S Home	726	–21.3	P-D	691	6.1	1.9
Del E Webb	727	–21.5	305.4	972	–8.2	47.4
Libbey-Owens-Ford	728	–21.9	217.5	883	0.1	45.0
Unidynamics	729	–22.0	461.1	878	0.4	24.2
Potlatch	730	–22.1	52.8	822	2.4	13.4
Ashland Oil	731	–22.4	P-D	570	9.5	5.1
Northrop	732	–22.5	103.7	384	13.4	12.7
Northwest Airlines	733	–22.7	163.5	159	19.8	15.2
St Regis	734	–22.9	D-P	798	3.0	12.6
Weyerhaeuser	735	–23.0	72.9	790	3.1	16.5
Smithfield Foods	736	–23.5	–77.2	34	34.8	–6.8
RLC	737	–25.4	144.1	757	4.0	22.6
Cameron Iron Works	738	–25.4	D-D	170	19.2	–39.3
Union Carbide	739	–25.7	–9.9	837	1.9	6.2
Stewart-Warner	740	–25.9	169.5	955	–5.5	14.2
Moore McCormack Res	741	–26.3	176.8	832	2.1	30.9
City Investing	742	–26.6	–69.5	622	8.1	33.4
Joy Manufacturing	743	–27.1	500.0+	847	1.4	7.6
Farm House Food	744	–27.6	500.0+	31	36.3	4.1
Jim Walter	745	–27.8	37.3	801	2.9	11.5
Georgia-Pacific	746	–28.2	500.0+	688	6.2	12.6
Datapoint	747	–29.2	222.5	65	27.8	11.1
Sun Chemical	748	–29.3	–25.8	386	13.4	19.3
Willamette Industries	749	–31.5	118.6	716	5.3	12.9
Champion International	750	–32.3	119.4	792	3.1	9.6
Tidewater	751	–33.3	P-D	458	11.7	–14.0
Boise Cascade	752	–34.2	110.3	747	4.4	16.5
Gates Learjet	753	–36.4	500.0+	665	6.9	19.2
Dayco	754	–37.6	500.0+	852	1.2	28.5
Deere	755	–40.9	D-P	905	–1.2	6.4
UGI	756	–42.1	472.7	90	24.9	1.7

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Crown Central Petroleum	757	–42.7%	P-D	151	20.0%	2.6%
Dresser Industries	758	–42.8	500.0+%	762	3.9	0.5
Continental Corp	759	–43.2	–52.7	746	4.5	24.6
Rexnord	760	–43.8	500.0+	909	–1.4	14.5
Brockway Inc (NY)	761	–46.4	P-D	531	10.2	12.4
Gifford-Hill	762	–47.0	500.0	820	2.4	12.5
Alcan Aluminium	763	–52.0	D-P	712	5.4	–2.6
A O Smith		NM	331.6	890	–0.5	15.5
AM International		NM	206.9	947	–5.1	7.3
AMAX		NM	D-D	828	2.3	6.6
AMF		NM	D-P	968	–7.3	14.3
AMR		NM	166.5	505	10.8	16.6
ASARCO		NM	P-D	859	1.1	–1.4
Alexander & Alexander		NM	D-D	330	14.4	–4.6
Alexander's		NM	–13.6	779	3.5	1.2
Allegheny International		NM	D-P	237	16.9	0.6
Allen Group		NM	D-P	845	1.6	52.8
Allied Corp		NM	–78.2	121	21.5	19.3
Allied Supermarkets		NM	D-Z	935	–3.6	10.0
Allis-Chalmers		NM	D-D	959	–5.9	2.7
Alcoa		NM	500.0+	780	3.4	20.3
Amer Hoist & Derrick		NM	D-D	949	–5.2	–6.6
American Bakeries		NM	D-P	895	–0.7	–0.4
American Can		NM	23.4	934	–3.3	–1.6
American Motors		NM	D-P	807	2.7	25.4
American President Cos		NM	500.0+	472	11.5	24.4
Amfac		NM	D-D	595	8.8	7.1
Ampco-Pittsburgh		NM	D-P	553	9.8	51.6
Amsted Industries		NM	D-P	970	–7.8	27.8
Anchor Hocking		NM	D-P	871	0.7	–29.8
Arkansas Best		NM	100.8	249	16.4	9.6
Armco		NM	D-D	875	0.5	6.7
Armstrong Rubber		NM	14.5	477	11.3	11.9
Arrow Electronics		NM	D-P	91	24.7	48.8
Athlone Industries		NM	D-P	924	–2.6	27.2
B F Goodrich		NM	D-P	788	3.2	11.4
Baker International		NM	D-P	172	19.1	–0.2
Barnes Group		NM	D-P	789	3.2	10.1
Bell & Howell		NM	188.1	758	4.0	7.8
Beneficial Corp		NM	44.0	936	–3.9	14.0
Bethlehem Steel		NM	D-D	956	–5.6	20.0
Bird		NM	D-D	954	–5.4	10.8
Black & Decker Mfg		NM	91.2	818	2.5	31.3
Borman's		NM	P-D	749	4.3	1.8
Bucyrus-Erie		NM	D-D	814	2.6	–27.9
Butler Manufacturing		NM	D-D	921	–2.4	10.8
Caesars World		NM	D-P	66	27.7	9.4
CalFed		NM	–29.3	69	26.9	30.6
Castle & Cooke		NM	P-D	774	3.6	1.7
Caterpillar Tractor		NM	D-D	949	–5.2	44.9
Celanese		NM	500.0+	785	3.3	7.4
CertainTeed		NM	24.3	849	1.4	18.6
Cessna Aircraft		NM	D-P	960	–6.0	32.3
Charter		NM	P-D	286	15.4	70.3
Chicago & North Western		NM	115.0	732	4.8	7.4
Chicago Pneumatic Tool		NM	D-P	918	–2.0	11.7
Chromalloy American		NM	D-D	984	–11.1	2.1
Chrysler		NM	351.2	910	–1.5	54.2
Cincinnati Milacron		NM	D-P	907	–1.3	18.7
Circle K		NM	38.8	252	16.4	59.6
City Federal S & L		NM	83.4	20	44.2	42.7
Clark Equipment		NM	66.3	986	–12.1	37.1
Coachmen Industries		NM	–13.4	429	12.4	26.0

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Coastal Corp		NM	30.2%	331	14.4%	8.5%
Coleco Industries		NM	P-D	21	43.4	13.6
Colonial Penn Group		NM	12.7	293	15.3	3.6
Colt Industries		NM	72.1	944	–4.7	22.3
Combustion Engineering		NM	P-D	660	7.0	–2.6
Cook United		NM	D-D	563	9.5	–27.6
Copperweld		NM	D-P	946	–5.1	50.8
Crane		NM	D-D	976	–8.9	5.0
Crocker National		NM	P-D	175	19.0	2.2
Crown Zellerbach		NM	D-P	836	1.9	12.5
Culbro		NM	55.3	647	7.3	80.8
Cummins Engine		NM	D-P	882	0.3	49.2
Cyclops		NM	D-P	772	3.7	27.7
Delta Air Lines		NM	D-P	413	12.8	18.5
Diamond Shamrock		NM	P-D	246	16.5	27.1
Dorsey		NM	–25.4	727	4.9	17.5
Dravo		NM	D-D	840	1.8	–1.3
Dynalectron		NM	–8.4	445	11.9	20.6
Eastern Air Lines		NM	D-D	528	10.2	8.6
Eaton		NM	D-P	933	–3.3	32.9
Economics Laboratory		NM	D-P	476	11.3	4.8
Evans Products		NM	D-D	874	0.6	40.2
F W Woolworth		NM	D-P	937	–3.9	7.5
Federal Natl Mortgage		NM	P-D	154	19.9	5.4
Fidelcor		NM	–17.3	254	16.3	33.2
Firestone Tire & Rubber		NM	20.3	962	–6.1	16.6
First Natl Supermarkets		NM	P-D	848	1.4	5.3
First Pennsylvania		NM	D-D	973	–8.2	4.5
Fisher Foods		NM	D-D	993	–20.5	1.6
Fleetwood Enterprises		NM	36.9	881	0.3	37.2
Foodarama Supermarkets		NM	P-D	811	2.6	0.5
Ford Motor		NM	244.5	896	–0.7	24.6
Fremont General		NM	D-D	102	23.1	31.8
Frontier Holdings		NM	D-D	337	14.3	25.6
Fruehauf		NM	D-P	928	–3.0	40.7
Fuqua Industries		NM	–7.8	990	–16.4	18.5
GAF		NM	D-D	982	–11.0	8.9
GATX		NM	P-D	802	2.9	1.5
Gelco		NM	D-P	82	25.6	–1.0
General Dynamics		NM	46.1	248	16.4	5.6
General Host		NM	–27.0	926	–2.7	28.0
General Motors		NM	91.0	841	1.8	23.9
General Refractories		NM	D-P	971	–8.0	4.7
Genesco		NM	D-P	980	–10.6	–5.2
Geo International		NM	D-D	308	14.9	8.9
Gibraltar Finl Corp Cal		NM	16.0	209	17.9	40.2
Glendale Federal S&L		NM	16.8	78	26.1	24.5
Golden West Financial		NM	2.2	61	28.7	7.9
Great Atl & Pacific Tea		NM	44.3	975	–8.3	15.0
Great Western Financial		NM	88.7	133	21.0	76.7
Gulf & Western Inds		NM	D-P	898	–0.9	13.3
Gulf Resources & Chem		NM	169.7	943	–4.6	6.2
H F Ahmanson		NM	–41.6	229	17.1	19.8
HRT Industries		NM	D-D	633	7.8	–3.6
Harnischfeger		NM	D-P	969	–7.5	8.2
Home Federal S&L Cal		NM	174.7	132	21.0	23.0
Hoover		NM	54.2	916	–1.9	2.7
Hughes Tool		NM	D-D	257	16.2	–3.1
Ideal Basic Industries		NM	D-D	914	–1.8	5.8
Imperial Corp of Amer		NM	D-D	339	14.3	32.4
Inco		NM	D-D	989	–14.4	32.0
Ingersoll-Rand		NM	D-D	868	0.7	2.3
Inland Steel		NM	D-D	925	–2.7	25.4

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. D-Z: Deficit to zero.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Inspiration Resources		NM	D-D	575	9.2%	12.3%
InterFirst		NM	D-P	75	26.4	12.2
International Harvester		NM	D-D	987	–13.3	–2.3
Interstate Bakeries		NM	D-D	711	5.4	5.1
J P Stevens		NM	12.8%	824	2.3	11.3
Kaiser Aluminum & Chem		NM	D-P	831	2.1	41.7
Kaufman & Broad		NM	500.0+	863	0.9	14.2
Kay		NM	–46.8	812	2.6	40.7
Kerr Glass Mfg		NM	D-D	634	7.8	–44.1
Keystone Consol Inds		NM	D-D	981	–10.6	–6.8
Koppers		NM	D-P	904	–1.2	19.9
L B Foster		NM	D-P	880	0.3	22.4
LTV		NM	D-D	720	5.2	64.8
Lafarge		NM	D-D	306	15.0	2.5
Litton Industries		NM	35.3	699	5.9	16.3
Lockheed		NM	25.4	438	12.2	18.8
Lone Star Industries		NM	D-P	912	–1.6	8.1
Louisiana-Pacific		NM	150.0	930	–3.0	20.2
Lukens		NM	D-P	783	3.4	16.4
M Lowenstein		NM	70.9	919	–2.1	16.7
MCI Communications		NM	–87.5	6	82.6	17.1
Mack Trucks		NM	D-P	966	–7.0	61.2
Macmillan		NM	33.2	965	–6.9	20.5
Manhattan Industries		NM	51.3	738	4.7	20.6
Manville		NM	D-P	911	–1.6	0.0
Massey-Ferguson		NM	D-D	985	–12.0	–15.9
Mattel		NM	D-D	587	8.9	–23.3
McLean Industries		NM	8.7	406	12.9	20.0
Mead		NM	D-P	865	0.8	–6.3
Michigan National		NM	P-D	340	14.3	10.1
Midland-Ross		NM	D-P	769	3.8	13.3
Mission Insurance Group		NM	P-D	483	11.2	13.2
Mohasco		NM	D-P	939	–4.3	13.9
Monfort of Colorado		NM	0.0	118	21.7	8.5
Morse Shoe		NM	44.6	629	8.0	3.7
Munford		NM	23.5	[illegible]	8.7	5.0
NI Industries		NM	46.3	[illegible]	1.8	13.9
NL Industries		NM	D-P	920	–2.2	–10.0
NVF		NM	D-D	991	–17.2	46.0
Nashua		NM	D-P	851	1.3	3.4
National Intergroup		NM	P-D	957	–5.6	1.7
National Semiconductor		NM	D-P	197	18.3	35.5
National-Standard		NM	D-P	958	–5.7	22.1
Northwest Industries		NM	P-D	961	–6.0	23.2
Northwest Steel & Wire		NM	D-D	988	–13.3	22.4
Oak Industries		NM	D-D	167	19.6	–7.3
Occidental Petroleum		NM	D-P	94	24.5	–16.9
PSA		NM	D-D	242	16.7	26.2
Paine Webber Group		NM	–86.1	51	30.8	0.8
Pan Am Corp		NM	D-D	455	11.7	0.6
Pantry Pride		NM	5.3	992	–17.4	–18.2
Parker Drilling		NM	D-D	387	13.3	–35.6
Parker Pen		NM	D-P	780	3.4	20.8
Peabody International		NM	P-D	749	4.3	–7.6
Penn Central		NM	–52.1	36	34.6	0.4
Pettibone		NM	D-D	983	–11.0	5.0
Phelps Dodge		NM	D-D	927	–2.9	–3.2
Pittston		NM	D-D	824	2.3	15.4
RCA		NM	29.8	708	5.4	10.9
Ramada Inns		NM	D-P	362	13.8%	2.6%
Rath Packing		NM	D-D	777	3.5	–39.1
Republic Airlines		NM	D-P	29	38.2	6.9
Revere Copper & Brass		NM	D-D	964	–6.6	25.8
Reynolds Metals		NM	D-P	850	1.3	18.4
Savannah Foods & Inds		NM	–24.9%	492	11.0	22.5
Savin		NM	D-D	375	13.5	–2.5
Scovill		NM	26.5	932	–3.1	18.1
Sheller-Globe		NM	93.3	913	–1.8	34.3
Singer		NM	500.0+	885	–0.2	2.5
Smith International		NM	D-P	349	14.1	–2.1
Southwest Forest Inds		NM	D-P	906	–1.3	22.3
Stauffer Chemical		NM	D-P	873	0.7	12.4
Stewart & Stevenson		NM	D-D	707	5.5	–13.8
Stone Container		NM	43.0	291	15.4	143.6
Storage Technology		NM	P-D	73	26.7	–6.0
Storer Communications		NM	D-D	70	26.9	17.3
Swift Independent		NM	–33.3	677	6.5	10.9
Sybron		NM	D-D	931	–3.1	–9.5
Talley Industries		NM	–56.0	978	–10.0	6.6
Texas Air		NM	D-D	9	58.9	–17.4
Texas Instruments		NM	D-P	462	11.6	25.9
Thorn Apple Valley		NM	–84.5	526	10.2	–4.1
Tiger International		NM	D-D	401	13.0	15.5
Timken		NM	D-P	938	–4.2	29.2
Toro		NM	D-P	951	–5.2	16.3
Tosco		NM	D-D	191	18.4	–34.6
Trans World Airlines		NM	NA	719	5.2	8.0
UAL		NM	44.7	562	9.5	23.2
Uniroyal		NM	194.0	963	–6.3	12.2
United Brands		NM	D-P	903	–1.1	–3.1
United Merchants & Mfrs		NM	D-P	948	–5.2	28.0
United States Steel		NM	D-D	545	10.0	11.5
Varian Associates		NM	27.1	408	12.9	22.1
Warner Communications		NM	D-D	85	25.4	61.7
Western Air Lines		NM	D-D	695	6.0	5.7
Western Co of North Am		NM	D-D	89	25.0	5.2
Western Union		NM	P-D	553	9.8	8.7
Westmoreland Coal		NM	86.0	455	11.7	10.5
Wheeling-Pitts Steel		NM	D-D	977	–9.3	43.9
Wickes Cos		NM	D-P	582	9.0	9.0
Wilson Foods		NM	D-D	886	–0.3	–13.5
Zale		NM	77.0	860	1.0	8.0
Zenith Electronics		NM	309.6	686	6.3	21.9
Amer Info Technology		NA	NA	606	8.5	–4.4
Amer Tel & Tel		NA	NA		NA	NA
Bell Atlantic		NA	NA	532	10.2	–6.2
BellSouth		NA	NA	533	10.1	–8.4
Delchamps		NA	12.5		NA	9.2
Great Amer First Savings		NA	NA	105	22.8	15.9
Gulfstream Aerospace		NA	1.8		NA	0.5
NYNEX		NA	NA		NA	–3.7
Pabst Brewing		NA	NA		NA	0.5
Pacific Telesis Group		NA	NA		NA	–1.6
Sea-Land		NA	NA	674	6.7	9.4
Southwestern Bell		NA	NA		NA	–8.2
Temple-Inland		NA	NA	671	6.8	7.2
Time Inc		NA	76.0	230	17.0	13.6
U S West		NA	NA	514	10.5	–4.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

WHO'S WHERE IN THE STOCK MARKET

Over the past five years, the median share price gain of the ranked companies on this list is over 50%. That has protected most investors against inflation and made a few very rich.

THE COMPANIES THAT RANK HIGH in this table have one thing in common: They made piles of money for those smart—or lucky—enough to have held their shares over the past five years.

For the stars in the top ten, the big winners tend to be founders or of founding families. That's because an unusual number of these firms are still dominated by the people who got them started. There is something else unusual about this year's crop of stock market stars: All but three of the ten companies with the highest five-year gains are retailers.

At The Limited, Leslie Wexner presides over the nation's largest chain of women's apparel specialty shops. Toys "R" Us Chairman Charles Lazarus applied supermarket concepts to his market, and now has 198 outlets. Then there's Sam Walton. He started with one Arkansas variety store and now runs a business with annual revenues of $4.6 billion. Not incidentally, both Walton and Wexner rate a spot on The Forbes Four Hundred.

Curious, isn't it? In recent years the biggest fortunes Wall Street has handed out have gone to enterprising merchants rather than to software stars or gene-splicing geniuses. Look outside the top ten and you will see First Boston and Donaldson, Lufkin & Jenrette. So don't worry about the dealmakers. They always seem to leave something on the table for themselves.

Another fascinating aspect of this roster is the number of dramatic turnarounds that have made investors rich. Less than a decade ago competitors helped bail out GEICO, because they feared its collapse would bring tougher insurance regulation. Now the company is an industry star. Similar resurgences have occurred at firms as large as Chrysler and as small as Cooper Tire.

With this in mind, forget the big gainers at the top of the table. Value-oriented investors look at companies that have lagged the pack rather than at the pacesetters. After all, what has gone up can easily come down. But what hasn't budged might someday take off. Of course, the 47 companies at the end of this list are special situations. They don't have five-year performance ratings because divestitures, spinoffs or new stock issues make valid comparisons impossible.

But look closely at the 34 firms where share prices are down by more than 50% since 1979. What do these losers have in common? Many—like Tosco and Charter—did well when oil prices were high, but they expanded too fast. Others, such as Allis-Chalmers and International Harvester, are trapped at the bottom in viciously cyclical industries. Then there are companies like Storage Technology and Oak Industries, which cooled off abruptly after developing one very hot product.

The challenge is to spot the next Chrysler, the next GEICO. Those who succeed aren't guaranteed to become as wealthy as Sam Walton, but they'll surely earn handsome returns.

Guessing wrong might not be too bad, either. Over the past five years the median share price gain of the ranked companies on this list was over 50%. That's considerably better than the Consumer Price Index, which gained 37% over the period. ■

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
1	7	**Limited**	1,484.6%	31 – 1⅜	25¾	$ 3.25	0.13	$1.38	19	1.25	$0.24	0.9%
2	27	**Dillard Dept Stores**	1,010.3	41⅞– 3	40¼	14.65	0.36	3.06	13	0.58	0.20	0.5
3	10	**Zayre**	969.7	49 – 3⅞	44⅛	20.02	0.45	3.68	12	0.29	0.40	0.9
4	1	**Pulte Home**	900.3	37½– 1⅛	16⅞	5.69	0.34	0.89	19	0.45	0.12	0.7
5	15	**Rose's Stores**	861.5	25¼– 2½	23½	12.09	0.51	2.31	10	0.27	0.38	1.6
6	6	**Wal-Mart Stores**	846.9	47 – 3½	41⅛	5.27	0.13	1.73	24	0.97	0.21	0.5
7	3	**Subaru of America**	841.4	120 – 9¾	116½	24.11	0.21	9.38	12	0.63	1.68	1.4
8	4	**Toys "R" Us**	788.4	52⅞– 4¼	50¼	8.68	0.17	1.77	28	1.84	none	0.0
9	*	**Ames Department Stores**	715.1	30½– 2⅞	27⅝	7.60	0.28	1.75	16	0.47	0.20	0.7
10	8	**Coleco Industries**	677.3	65 – 2	17	5.58	0.33	–1.35	def	0.39	none	0.0
11	40	**First Boston**	645.2	66⅞– 5	52⅝	34.29	0.65	5.98	9	0.33	2.00	3.8
12	95	**Donaldson, Lufkin**	637.5	29½– 3½	29½	12.77	0.43	1.65	18	0.46	0.28	0.9
13	60	**Dean Foods**	629.6	29⅜– 3⅜	27⅛	7.92	0.29	1.84	15	0.41	0.48	1.8
14	69	**Allegheny Beverage**	625.9	20¾– 2½	18¾	9.88	0.53	1.66	11	0.18	0.40	2.1
15	36	**Saga**	614.7	40¼– 3⅜	33½	12.70	0.38	2.47	14	0.37	0.44	1.3
16	33	**State Street Boston**	578.8	47¼– 5½	42	27.92	0.66	5.44	8	0.73	1.00	2.4
17	18	**Stop & Shop Cos**	574.0	62⅝– 5⅛	42⅛	24.53	0.58	4.79	9	0.16	1.00	2.4
18	31	**MEI**	500.0	40 – 4⅞	36⅜	10.03	0.28	2.54	14	0.88	0.44	1.2
19	2	**First Executive**	493.7	18¼– 1⅜	11½	9.94	0.86	1.10	10	0.36	none	0.0
20	107	**Culbro**	484.2	26½– 3	23	29.55	1.28	3.06	8	0.10	0.60	2.6
21	126	**Strawbridge & Clothier**	471.8	56 – 7⅝	50¾	32.52	0.64	4.64	11	0.45	0.90	1.8
22	83	**CFS Continental**	469.0	39⅛– 4⅛	37⅞	13.98	0.37	2.23	17	0.23	0.40	1.1
23	*	**Cooper Tire & Rubber**	468.4	22¾– 2½	16⅞	13.96	0.83	2.28	7	0.32	0.40	2.4
24	68	**American Greetings**	460.0	33⅞– 4¾	33¼	11.61	0.35	2.09	16	1.20	0.58	1.7
25	110	**M Lowenstein**	460.0	49¾– 6	43¾	44.33	1.01	7.28	6	0.28	2.00	4.6
26	‡	**Coachmen Industries**	436.4	39⅝– 2¼	14¾	9.13	0.62	2.13	7	0.24	0.40	2.7
27	13	**Chicago & North Western**	436.1	53⅞– 4	24⅛	18.59	0.77	2.58	9	0.42	none	0.0
28	38	**Walgreen**	423.3	44⅞– 6⅜	43½	13.52	0.31	2.78	16	0.49	0.88	2.0
29	17	**GEICO**	415.8	65⅝– 8⅛	61¼	19.88	0.32	4.96	12	1.24	0.88	1.4
30	119	**Flowers Industries**	414.9	17 – 2⅞	16¼	5.46	0.34	0.96	17	0.61	0.38	2.3
31	42	**Fleetwood Enterprises**	410.8	41⅞– 2½	23⅝	9.25	0.39	2.56	9	0.40	0.36	1.5
32	77	**Hannaford Bros**	403.2	32 – 5⅜	29⅞	17.82	0.60	3.04	10	0.16	0.90	3.0
33	5	**MCI Communications**	398.0	27¾– 1⅛	7⅝	4.87	0.64	0.17	45	0.89	none	0.0
34	108	**Brunswick**	393.5	36¼– 5⅛	33	17.82	0.54	4.26	8	0.50	1.00	3.0
35	*	**Advanced Micro Devices**	390.8	41⅛– 4½	29¾	5.09	0.17	2.26	13	1.95	none	0.0
36	16	**Oxford Industries**	383.8	25⅞– 2⅛	13	10.89	0.84	1.92	7	0.25	0.40	3.1
37	134	**First Atlanta**	383.5	25¾– 4⅝	24⅝	16.25	0.66	3.19	8	0.61	0.88	3.6
38	161	**Dibrell Brothers**	380.0	28¼– 5¼	27¾	21.09	0.76	6.14	5	0.23	1.00	3.6
39	23	**VF**	374.4	41⅜– 4⅝	25½	12.18	0.48	3.82	7	0.71	1.12	4.4
40	64	**Savannah Foods & Inds**	374.2	45 – 6⅜	32¾	26.32	0.80	5.46	6	0.19	1.65	5.0
41	173	**Smart & Final Iris**	370.2	122½–20	122¼	65.89	0.54	11.32	11	0.21	1.80	1.5
42	82	**USAir Group**	365.5	39⅞– 6½	32	26.77	0.84	5.12	6	0.46	0.12	0.4
43	39	**Sysco**	362.8	44½– 6⅝	35	13.67	0.39	2.22	16	0.31	0.36	1.0
44	76	**ConAgra**	360.9	27⅝– 5	26½	11.33	0.43	1.79	15	0.22	0.87	3.3
45	29	**Paine Webber Group**	360.3	61⅜– 5¾	31½	19.76	0.63	0.77	41	0.33	0.60	1.9
46	93	**Trust Co of Georgia**	357.5	31⅜– 5⅝	27⅞	13.60	0.49	3.54	8	1.10	1.00	3.6
47	169	**New York Times**	356.9	38½– 6	35⅛	10.60	0.30	2.37	15	1.16	0.52	1.5
48	99	**Meredith**	355.6	56¼–10⅝	53¼	24.29	0.46	4.07	13	1.10	0.80	1.5
49	*	**Guardian Industries**	345.6	29⅞– 4⅝	22	9.34	0.42	1.77	12	0.91	0.32	1.5
50	65	**Sherwin-Williams**	345.1	32⅜– 5⅞	29⅝	16.18	0.55	2.75	11	0.33	0.76	2.6
51	121	**Arden Group**	344.4	16 – 2⅜	15	10.62	0.71	1.26	12	0.08	none	0.0
52	109	**Pay Less Drug Stores NW**	343.9	24⅛– 3¾	22¾	7.19	0.32	1.48	15	0.47	0.34	1.5
53	14	**Bergen Brunswig**	342.4	39½– 4¼	23½	9.99	0.43	1.45	16	0.17	0.32	1.4
54	67	**Giant Food**	333.9	26¼– 4⅜	25⅝	13.21	0.52	2.90	9	0.19	0.80	3.1
55	283	**Tyson Foods**	332.6	23¾– 3⅝	23¼	8.56	0.37	2.33	10	0.24	0.08	0.3
56	25	**E F Hutton Group**	331.3	53⅜– 6½	31	23.43	0.76	1.44	22	0.32	0.80	2.6
57	48	**Marriott**	328.4	81 –16⅜	75½	23.37	0.31	4.72	16	0.57	0.54	0.7
58	62	**General Cinema**	327.5	28 – 4	25¼	6.54	0.26	1.85	14	0.99	0.46	1.8
59	151	**Munford**	326.7	24¼– 3¾	22	12.66	0.58	1.89	12	0.22	0.54	2.5
60	168	**Chrysler**	322.2	35⅝– 3	28½	9.18	0.32	7.31	4	0.20	1.00	3.5
61	57	**United States Shoe**	321.0	49 – 5½	25⅛	18.16	0.72	2.88	9	0.34	0.86	3.4
62	74	**Collins & Aikman**	316.9	45 – 6¼	33⅞	22.41	0.66	5.46	6	0.36	1.20	3.5
63	97	**American Stores**	316.9	44 – 6¾	37	15.26	0.41	3.98	9	0.12	0.64	1.7

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank		Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
84	83											
64	*	**Gap Stores**	316.2%	45¼– 3⅜	22½	$ 14.24	0.63	$ 2.21	10	0.38	$0.50	2.2%
65	19	**Berkshire Hathaway**	306.3	1,385 –245	1,300	981.75	0.76	68.90	19	2.25	none	0.0
66	214	**Armstrong Rubber**	305.5	22⅛– 3⅜	18½	19.49	1.05	2.61	7	0.27	0.48	2.6
67	44	**Dow Jones**	303.7	57 – 8¾	40⅝	6.50	0.16	2.01	20	2.77	0.72	1.8
68	383	**Denny's**	302.4	41⅝– 7⅞	41⅝	19.45	0.47	2.78	15	0.53	none	0.0
69	180	**Fidelcor**	296.6	44 – 8⅞	43⅝	46.76	1.07	6.97	6	0.36	2.40	5.5
70	196	**Washington Post**	296.4	85 – 15⅞	83¼	22.50	0.27	5.66	15	1.22	0.80	1.0
71	54	**Natl Convenience Stores**	294.1	18⅛– 2⅞	16½	5.59	0.34	0.98	17	0.38	0.36	2.2
72	51	**Food Lion**	289.4	14⅞– 2⅝	13¾	2.35	0.17	0.65	21	0.53	0.07	0.5
73	123	**Magic Chef**	288.1	43⅝– 6	32½	25.23	0.78	5.99	5	0.29	0.80	2.5
74	86	**Rite Aid**	286.6	27¼– 4⅞	25¼	7.67	0.30	1.87	14	0.78	0.41	1.6
75	237	**Ruddick**	286.0	29⅞– 6¾	27½	20.84	0.76	2.98	9	0.16	0.86	3.1
76	423	**Wendy's International**	285.7	20½– 2¾	16¾	5.66	0.34	1.20	14	1.02	0.28	1.7
77	160	**Super Food Services**	285.4	28⅝– 6⅛	23	16.28	0.71	2.20	10	0.06	0.44	1.9
78	35	**Lockheed**	284.8	48¾– 7⅜	44¼	13.09	0.30	4.94	9	0.38	0.45	1.0
79	32	**Warnaco**	282.8	36¼– 5⅛	22¼	16.45	0.74	2.61	9	0.41	0.88	4.0
80	132	**Supermarkets General**	281.3	33 – 5⅜	30½	13.61	0.45	2.33	13	0.15	0.42	1.4
81	70	**James River Corp of Va**	281.0	42¼– 6⅜	32⅝	17.45	0.53	3.43	10	0.39	0.56	1.7
82	224	**Ball Corp**	279.6	44¼– 9½	44⅛	23.21	0.53	3.96	11	0.48	1.28	2.9
83	47	**Humana**	277.2	33¼– 5⅞	24¾	7.67	0.31	1.96	13	1.22	0.68	2.7
84	89	**City Federal S & L**	271.4†	15⅝– 1¾	9¾	10.80	1.11	3.76	3	0.15	0.20	2.1
84	376	**Pueblo International**	271.4	13⅜– 2¼	13	11.38	0.88	1.21	11	0.09	0.16	1.2
86	53	**Beverly Enterprises**	266.8	44¾– 5⅛	31¾	15.34	0.48	1.69	19	0.61	0.32	1.0
87	150	**Fleming Cos**	265.7	34½– 7⅝	32	14.73	0.46	2.62	12	0.12	0.88	2.8
88	108	**Loews**	264.2	94¼– 21⅛	88⅞	62.14	0.70	11.87	7	0.48	1.00	1.1
89	*	**Bruno's**	261.0‡	21 – 2¾	18½	4.72	0.26	1.12	17	0.44	0.28	1.5
90	128	**Mercantile Stores**	260.5	75½– 12¼	54¾	35.75	0.65	5.79	9	0.48	1.20	2.2
91	152	**Teledyne**	260.1	302⅜– 60⅝	257½	129.66	0.50	18.25	14	0.88	none	0.0
92	250	**Alexander's**	256.9	28½– 5⅛	22¾	15.05	0.66	0.89	26	0.20	none	0.0
93	*	**Kaman**	253.8	24½– 6⅛	23	12.78	0.56	2.32	10	0.30	0.56	2.4
94	223	**Phillips-Van Heusen**	248.7	23⅜– 5⅛	24⅝	20.57	0.84	2.77	9	0.28	0.40	1.6
95	26	**R H Macy**	247.0	64⅞– 10¼	41¾	22.61	0.54	4.13	10	0.51	1.04	2.5
96	84	**Hartmarx**	244.7	36¼– 6½	27¼	22.21	0.82	3.33	8	0.32	1.12	4.1
97	225	**First Union**	240.2	34¼– 6½	32	21.33	0.67	4.06	8	0.75	1.00	3.1
98	154	**Lowe's Companies**	239.7	32¾– 5⅜	24⅝	8.04	0.33	1.57	16	0.56	0.32	1.3
99	75	**Browning-Ferris Inds**	238.5	47⅝– 8⅛	34⅜	11.97	0.35	2.60	13	1.18	1.08	3.1
100	157	**Avery International**	237.5	31⅝– 7¾	30⅜	12.29	0.40	2.31	13	0.66	0.60	2.0
101	341	**Marsh Supermarkets**	237.1	20⅜– 4⅛	14¾	11.87	0.80	0.61	24	0.09	0.48	3.3
102	218	**Equifax**	236.8	37⅞– 8½	32⅝	11.48	0.35	2.49	13	0.47	1.70	5.2
103	406	**Singer**	234.2	35⅞– 6¼	30½	15.98	0.52	1.98	15	0.21	0.10	0.3
104	46	**Comdisco**	232.8	42 – 1⅝	11¾	6.64	0.57	1.05	11	0.58	0.20	1.7
105	188	**Barnett Banks of Fla**	231.9	43⅝– 11⅛	42⅝	28.31	0.66	5.24	8	0.53	1.36	3.2
106	49	**Burlington Northern**	225.2	54¾– 12⅞	45⅝	50.75	1.11	7.07	6	0.42	1.00	2.2
107	50	**Rolm**	225.1	80 – 17¼	68⅞	23.20	0.34	1.48	47	2.19	none	0.0
108	12	**Wang Laboratories**	224.2	42½– 7⅛	27¼	9.01	0.33	1.59	17	1.62	0.16	0.6
109	28	**Texas Oil & Gas**	223.2	27⅞– 6⅛	20½	7.18	0.35	1.65	12	2.10	0.18	0.9
110	263	**H J Heinz**	223.1	44 – 11⅝	43⅝	16.43	0.38	3.59	12	0.74	1.60	3.7
111	55	**Tandy**	220.0	64½– 7⅛	25	10.64	0.43	2.59	10	0.84	none	0.0
112	234	**Anheuser-Busch**	218.9	77 – 21	71¾	36.21	0.50	7.27	10	0.54	2.00	2.8
113	130	**Capital Cities Commun**	218.5	174½– 40	154⅞	47.73	0.31	10.05	15	2.22	0.20	0.1
114	454	**Carnation**	218.5	81 – 21	79⅝	32.22	0.40	5.78	14	0.80	2.40	3.0
115	182	**Hershey Foods**	217.8	39⅞– 10	39⅛	19.02	0.49	3.33	12	0.67	1.40	3.6
116	178	**R R Donnelley & Sons**	217.5	48 – 11⅞	44¼	18.51	0.42	3.34	13	0.99	1.00	2.3
117	114	**Brown Group**	216.2	39⅞– 7¼	26⅞	18.82	0.70	3.23	8	0.35	1.36	5.1
118	219	**Turner Construction**	215.1	24⅜– 6¼	22¼	13.14	0.59	2.97	7	0.05	1.10	4.9
119	211	**Fleet Financial Group**	214.2	28⅛– 7½	27¾	20.98	0.76	3.71	7	0.60	1.32	4.8
120	125	**Nordstrom**	212.9	46 – 7⅜	33¼	12.82	0.39	2.07	16	0.71	0.40	1.2
121	106	**Dayton-Hudson**	212.7	40⅝– 9⅛	33⅛	15.91	0.48	2.61	13	0.42	0.74	2.2
122	100	**Waldbaum**	212.4	27½– 4⅝	17	21.37	1.26	2.41	7	0.05	none	0.0
123	241	**Citizens & Southern Ga**	212.2	19¼– 5	19⅛	12.22	0.64	2.18	9	0.78	0.76	4.0
124	235	**Weis Markets**	211.6	40⅜– 10	35¼	13.76	0.39	2.65	13	0.76	0.64	1.8
125	198	**Sheller-Globe**	211.1	33½– 4¾	24½	20.11	0.82	3.73	7	0.26	0.70	2.9
126	41	**Fuqua Industries**	210.8††	39⅞– 6	28¾	14.98	0.52	3.64	8	0.31	0.40	1.4

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
127	24	E-Systems	210.3%	44¾– 6¼	25½	$ 8.13	0.32	$1.95	13	0.93	$0.50	2.0%
128	239	Outboard Marine	209.4	27⅝– 4½	24¾	21.79	0.88	3.02	8	0.45	0.64	2.6
129	190	Cox Communications	208.2	55¼–15	49½	17.64	0.36	2.98	17	1.96	0.34	0.7
130	242	AMR	207.4	41¼– 6¾	31⅛	26.53	0.85	6.45	5	0.29	none	0.0
131	279	Thrifty Corp	206.8	25¼– 4⅛	19¾	7.72	0.39	1.40	14	0.30	0.52	2.6
132	170	Macmillan	206.5	44⅞–10⅛	43	16.21	0.38	3.13	14	0.83	1.00	2.3
133	459	First Natl Supermarkets	204.5	23½– 3¾	16¾	16.23	0.97	−4.01	def	0.04	none	0.0
134	122	G D Searle	202.6	61½–17¼	57⅛	14.85	0.26	3.06	19	2.36	0.52	0.9
135	204	Blount	202.4	19⅝– 5	15⅞	8.87	0.56	2.10	8	0.22	0.40	2.5
136	264	American Family	200.0	25 – 5⅝	24¾	11.81	0.48	2.02	12	0.61	0.64	2.6
136	88	Roper Corp	200.0	29⅝– 4¼	15¾	16.19	1.03	2.80	6	0.18	0.64	4.1
136	228	Uniroyal	200.0	18 – 3⅛	12¾	18.14	1.42	2.47	5	0.19	0.12	0.9
139	344	Ralston Purina	198.9	35¼– 9¼	32⅞	11.60	0.35	2.68	12	0.56	0.92	2.8
140	448	Torchmark	198.8	34¼– 8⅛	31	18.91	0.61	2.97	10	0.91	1.00	3.2
141	118	ServiceMaster Inds	198.5	46 – 9⅝	31¼	2.70	0.09	1.33	23	0.83	1.12	3.6
142	63	General Host	196.9	22 – 4⅛	18	11.60	0.64	1.11	16	0.31	0.40	2.2
143	186	Manhattan Industries	196.4	26⅞– 4	16¾	17.99	1.07	2.92	6	0.16	0.30	1.8
144	232	Wachovia	195.9	28 – 7⅝	27	15.49	0.57	2.91	9	0.99	0.92	3.4
145	117	Penn Central	194.7	50¼– 9⅜	45½	45.27	0.99	1.03	44	0.39	none	0.0
146	549	Rohr Industries	194.7	46⅛– 8	42	24.45	0.58	4.92	9	0.53	none	0.0
147	78	Merrill Lynch	193.5	56½– 7¾	28¼	21.09	0.75	0.20	NM	0.46	0.80	2.8
148	305	Clorox	191.5	36½– 7⅞	29⅞	16.40	0.55	3.01	10	0.79	1.20	4.0
149	247	Deluxe Check Printers	190.8	54¾–16⅛	51⅛	12.73	0.25	3.82	14	1.71	1.76	3.4
150	73	Waste Management	190.6	61⅞–12	42½	16.01	0.38	2.73	16	1.72	0.80	1.9
151	102	Shopwell	190.4	35⅜– 3⅜	12¼	19.75	1.61	0.21	58	0.04	0.16	1.3
152	144	Dun & Bradstreet	189.5	70 –17⅛	63½	10.29	0.16	6.75	9	2.11	1.88	3.0
153	81	SCOA Industries	189.1	33⅞– 7	24¾	10.88	0.44	2.24	11	0.29	0.76	3.1
154	129	McGraw-Hill	189.0	53⅞–12⅛	41	12.27	0.30	2.78	15	1.51	1.24	3.0
155	260	DeSoto	188.4	37¼–10¼	34¼	23.20	0.68	3.52	10	0.50	1.40	4.1
156	58	Natl Medical Enterprises	187.4	32⅜– 6½	21⅜	11.02	0.52	1.82	12	0.69	0.52	2.4
157	143	Natl Service Industries	186.8	28⅞– 8¼	27¼	15.18	0.56	2.50	11	0.62	0.88	3.2
158	158	Republic New York	186.7	50 –12⅛	37	35.77	0.97	5.51	7	0.46	1.60	4.3
159	165	Albertson's	185.9	30¼– 8¼	27¼	11.93	0.44	2.33	12	0.20	0.68	2.5
160	37	Federal Express	185.3	48½– 9¾	33¼	15.44	0.46	2.07	16	0.98	none	0.0
161	273	Cluett, Peabody	184.6	32¼– 7¼	27¾	26.02	0.94	3.37	8	0.25	1.00	3.6
162	*	Rykoff-Sexton	184.6	18⅞– 4⅝	17¼	11.50	0.67	1.51	11	0.13	0.50	2.9
163	255	Melville	184.5	47⅝–11¾	39⅛	15.78	0.40	3.48	11	0.48	1.32	3.4
164	9	Financial Corp of Amer	184.5	32¾– 1½	8	18.17	2.27	−1.09	def	0.11	0.20	2.5
165	252	Alexander & Baldwin	182.5	39¼– 9⅝	37¼	21.51	0.58	3.49	11	1.52	1.20	3.2
166	115	Seagram	179.0	40 –11	37¾	30.95	0.82	4.29	9	1.88	0.80	2.1
167	382	CoreStates Financial	178.4	41⅞–11¾	40⅜	33.12	0.82	6.03	7	0.58	2.08	5.2
168	277	Shawmut	177.3	33⅞–10⅞	30½	31.53	1.03	4.34	7	0.48	1.68	5.5
169	85	EG&G	176.2	38⅛–11¼	33¾	7.12	0.21	1.80	19	0.88	0.48	1.4
170	183	North American Philips	175.7	39¾–11¾	36⅞	30.79	0.83	4.39	8	0.25	1.00	2.7
171	191	G C Murphy	173.5	43 – 9⅝	40	36.97	0.92	4.51	9	0.18	1.40	3.5
172	71	Levitz Furniture	173.2	47½– 9	36⅜	19.16	0.53	4.01	9	0.41	0.72	2.0
173	258	United Virginia Bankshrs	172.3	34⅜–10½	34⅜	26.75	0.78	4.50	8	0.64	1.44	4.2
174	270	Bankers Trust New York	170.6	55⅜–18	54⅛	55.29	1.02	9.26	6	0.37	2.70	5.0
175	147	Kelly Services	170.3	26 – 7¾	25	6.91	0.28	1.95	13	0.46	0.64	2.6
176	116	Hospital Corp of Amer	168.9	56⅛–13⅜	40	18.23	0.46	3.24	12	1.03	0.50	1.3
177	461	Kellwood	168.5	43¼– 8⅛	24½	28.31	1.16	4.23	6	0.12	1.00	4.1
178	105	Associated Dry Goods	168.5	71½–17⅛	56⅜	50.73	0.90	6.11	9	0.22	2.60	4.6
179	309	McDonald's	168.0	55⅞–16⅛	51¾	19.73	0.38	4.26	12	1.39	0.82	1.6
180	314	Bank of New England	167.1	65 –17½	54¾	55.24	1.01	8.36	7	0.32	2.84	5.2
181	145	Curtice-Burns	166.7	28 – 6⅜	27	15.27	0.57	2.87	9	0.15	0.80	3.0
182	284	Bristol-Myers	166.2	50⅜–15¼	49¼	13.89	0.28	3.35	15	1.63	1.60	3.2
183	*	BayBanks	166.1	42½–12⅜	42¼	40.81	0.97	5.50	8	0.50	2.20	5.2
184	299	Northrop	165.8	39½–11	36⅜	12.62	0.35	3.28	11	0.49	1.20	3.3
185	380	Maryland National	165.6	42½–12½	42½	42.17	0.99	5.63	8	0.49	1.60	3.8
186	262	Reichhold Chemicals	165.3	38⅞– 9⅜	31½	26.37	0.84	3.52	9	0.29	0.80	2.5
187	189	Banc One	164.0	28¼– 6¾	24¼	14.80	0.61	2.80	9	0.90	1.00	4.1
188	353	Midlantic Banks	163.2	26 – 7½	25½	21.26	0.83	4.01	6	0.60	1.12	4.4
189	90	Super Valu Stores	162.8	37 – 9	31⅜	10.41	0.33	2.16	15	0.18	0.68	2.2

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
190	30	**Stone Container**	160.6%	45 – 9⅜	32	$19.72	0.62	$1.33	24	0.36	$0.60	1.9%
191	45	**Avnet**	160.3	50 – 9⅞	30½	17.08	0.56	2.47	12	0.63	0.50	1.6
192	310	**Robertshaw Controls**	160.1	35⅞– 9¾	29½	22.19	0.75	4.36	7	0.38	1.12	3.8
193	289	**Cullum Companies**	158.1	20 – 5⅞	17½	11.45	0.65	1.73	10	0.11	0.56	3.2
194	159	**Allied Bancshares**	157.2	27⅜– 7⅜	23⅝	11.74	0.50	2.79	8	0.97	0.84	3.6
195	501	**Harcourt Brace**	156.0	44¼–12½	41⅛	20.19	0.49	3.59	11	0.56	1.00	2.4
196	275	**Quaker Oats**	155.1	36¾–12⅛	36¼	17.79	0.49	3.29	11	0.42	1.24	3.4
197	205	**Westinghouse Electric**	154.7	28⅜– 9½	25⅝	19.48	0.76	2.91	9	0.45	1.00	3.9
198	221	**Fort Howard Paper**	154.6	63½–17⅞	57¾	23.95	0.41	4.16	14	1.41	1.64	2.8
199	11	**Anixter Bros**	154.2	29 – 5⅛	15¼	10.53	0.69	0.82	19	0.46	0.28	1.8
200	569	**Scott & Fetzer**	153.8	59 –17¼	57¾	32.46	0.56	5.98	10	0.54	1.80	3.1
201	386	**Consolidated Foods**	152.9	34⅞– 9⅞	32⅞	17.32	0.53	3.32	10	0.25	1.44	4.4
202	238	**Morton Thiokol**	152.3	31⅜– 7⅛	27¾	12.52	0.45	2.27	12	0.69	0.64	2.3
203	192	**H H Robertson**	150.4	48½–13¾	37⅞	29.87	0.79	2.51	15	0.37	1.60	4.2
204	91	**Piedmont Aviation**	150.1	42⅛– 8⅞	31½	26.61	0.84	4.65	7	0.27	0.28	0.9
205	550	**Palm Beach**	149.6	38⅜–13	38⅜	24.71	0.64	3.93	10	0.30	1.20	3.1
206	535	**Consolidated Papers**	148.6	35 –11⅝	33⅞	16.69	0.49	3.33	10	1.11	1.28	3.8
207	435	**Pillsbury**	148.6	44⅜–13½	43½	24.22	0.56	4.01	11	0.44	1.56	3.6
208	335	**May Department Stores**	148.4	42½–12	39¾	26.79	0.67	4.73	8	0.37	1.72	4.3
209	104	**Rohm & Haas**	147.3	81 –16⅜	59½	35.05	0.59	6.81	9	0.74	2.00	3.4
210	231	**Ryder System**	147.1	59⅝–13¾	52½	27.95	0.53	5.64	9	0.45	1.08	2.1
211	141	**Rockwell International**	147.0	35½–11	29⅞	15.13	0.51	3.25	9	0.48	1.00	3.3
212	213	**General Re**	146.4	73 –18¾	59¾	29.19	0.49	2.87	21	1.53	1.44	2.4
213	402	**NCNB**	145.9	35¼–10	33½	23.55	0.70	3.98	8	0.66	1.32	3.9
214	131	**Sonoco Products**	145.8	47½–12¾	40¼	21.70	0.54	3.79	11	0.60	1.28	3.2
215	686	**GAF**	145.7	25¾– 7¾	24⅞	7.04	0.28	–0.73	def	0.49	0.10	0.4
216	553	**United Merchants & Mfrs**	143.8	15⅝– 3½	14⅝	19.86	1.36	1.78	8	0.20	none	0.0
217	318	**Cummins Engine**	143.5	88¼–25⅞	75½	53.40	0.71	19.02	4	0.32	2.20	2.9
218	*	**Huntington Bancshares**	142.2	33¾–10⅝	33¾	29.48	0.87	4.35	8	0.47	1.48	4.4
219	367	**Borden**	141.9	63½–19⅝	57¾	49.65	0.86	6.96	8	0.33	2.72	4.7

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
220	124	Grumman	140.9%	33⅝– 8⅞	26½	$16.08	0.61	$3.79	7	0.31	$1.00	3.8%
221	98	Jerrico	140.7	23½– 5¼	17¾	11.46	0.65	1.32	13	0.55	0.12	0.7
222	136	Hanover Insurance Cos	140.0	32⅛– 9⅜	27¾	31.99	1.15	2.11	13	0.42	0.56	2.0
223	257	Colt Industries	139.9	57 –17⅝	52⅝	19.65	0.37	5.61	9	0.67	2.50	4.8
224	216	PPG Industries	139.0	38 –13	34½	26.41	0.77	4.37	8	0.58	1.44	4.2
225	155	Borg-Warner	138.3	27¾– 7½	21⅜	17.19	0.80	2.28	9	0.49	0.92	4.3
226	*	Phibro-Salomon	137.5‡	40⅝–10	30⅞	15.73	0.51	3.25	10	0.15	0.54	1.7
227	181	Big V Supermarkets	137.1	16⅝– 2⅞	10	7.32	0.73	0.42	24	0.10	0.40	4.0
228	156	Tyco Laboratories	136.0	37⅞–10	33⅝	18.02	0.54	3.67	9	0.50	0.80	2.4
229	276	Zenith Electronics	135.9	38⅝– 7⅞	23	17.08	0.74	2.99	8	0.32	none	0.0
230	340	Gerber Products	135.7	32 – 8	24¾	15.73	0.64	2.56	10	0.56	1.16	4.7
231	184	Circle K	135.1	33¾– 8	31	7.90	0.25	2.11	15	0.30	0.74	2.4
232	265	Monfort of Colorado	133.9	20⅞– 3⅜	17¼	14.73	0.85	3.48	5	0.05	none	0.0
233	21	Varian Associates	133.9	63⅜–10½	35⅜	16.93	0.48	2.72	13	0.83	0.26	0.7
234	580	Laclede Gas	133.3	23½– 7½	22¾	16.35	0.72	3.29	7	0.29	1.70	7.5
235	389	Mohasco	132.9	25½– 7	21¼	30.40	1.43	2.42	9	0.20	0.40	1.9
236	*	Media General	132.7	65¾–20⅞	60½	35.28	0.58	5.42	11	0.79	1.08	1.8
237	326	American Express	132.6	49⅝–12¼	34¾	18.94	0.55	1.92	18	0.63	1.28	3.7
238	112	PHH Group	132.4	47 – 9½	25⅛	13.41	0.53	2.35	11	0.72	0.88	3.5
239	201	Pioneer Hi-Bred Intl	131.8	33¾– 9⅝	31	11.03	0.36	2.17	14	1.38	0.80	2.6
240	287	Whirlpool	131.3	57 –14⅝	43⅜	26.76	0.62	5 16	8	0.51	2.00	4.6
241	396	Arvin Industries	131.3	20⅛– 6½	18½	16.07	0.87	2.53	7	0.28	0.80	4.3
242	210	A H Robins	131.0	29⅜– 6⅝	20½	14.69	0.72	1.39	15	0.84	0.76	3.7
243	379	Consolidated Edison	129.9	30¼– 9¾	27⅞	28.41	1.02	4.41	6	0.63	2.12	7.6
244	447	First Natl State Bancorp	129.7	46⅞–15⅞	45⅜	45.32	1.00	6.78	7	0.46	2.88	6.3
245	148	SEDCO	129.1	49 –17¼	44¼	19.16	0.43	5.13	9	1.92	0.58	1.3
246	166	Holiday Inns	128.5	59 –13¾	41⅛	26.69	0.65	3.42	12	0.85	0.90	2.2
247	142	AMP	128.4	39½–11	30⅝	7.44	0.24	1.92	16	1.82	0.64	2.1
248	167	Hewlett Packard	128.3	48¼–12¾	33¾	11.32	0.34	2.59	13	1.43	0.22	0.7
249	329	Kimberly-Clark	128.2	49½–18⅞	46½	32.81	0.71	4.64	10	0.60	2.20	4.7

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Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
250	195	**Ceco Industries**	127.6%	26 – 8⅛	20⅛	$28.42	1.41	$2.18	9	0.17	$0.76	3.8%
251	163	**Revco D S**	127.5	37½– 9⅛	26⅞	12.21	0.45	2.52	11	0.43	0.80	3.0
252	317	**General Electric**	126.7	59⅜–22	57⅜	24.78	0.43	4.86	12	0.95	2.20	3.8
253	544	**Campbell Soup**	126.3	71 –25¼	67⅞	39.05	0.58	5.93	11	0.60	2.50	3.7
254	436	**Philip Morris**	126.0	82⅛–29⅛	81⅜	32.27	0.40	8.07	10	0.99	3.40	4.2
255	308	**Security Pacific**	125.6	55⅜–18½	52⅞	48.38	0.91	7.66	7	0.38	2.44	4.6
256	432	**Amer District Telegraph**	125.0	32⅝– 7¼	22½	16.66	0.74	1.02	22	0.58	0.92	4.1
257	362	**Universal Leaf Tobacco**	124.2	22 – 7¾	20⅞	13.49	0.65	2.50	8	0.35	0.92	4.4
258	339	**Illinois Tool Works**	124.0	29⅞–10⅛	28	13.62	0.49	2.23	13	1.23	0.64	2.3
259	288	**Std Commercial Tobacco**	122.0	27¼– 6⅛	17	24.14	1.42	3.52	5	0.11	0.50	2.9
260	350	**Vulcan Materials**	120.7	73¾–30½	72	39.90	0.55	6.83	11	0.87	2.44	3.4
261	*	**Prime Computer**	120.3	32⅞– 6	16¼	5.63	0.35	1.15	14	1.26	none	0.0
262	208	**Pitney Bowes**	120.3	36½–10¾	35¼	15.70	0.45	3.38	10	0.74	1.04	3.0
263	534	**Hoover Universal**	119.5	29½– 8⅛	23¼	14.34	0.62	2.61	9	0.38	0.50	2.2
264	500	**FMC**	119.2	62 –21⅜	57	41.84	0.73	6.91	8	0.39	2.20	3.9
265	510	**IC Industries**	119.2	27¼– 8½	27⅛	33.49	1.23	3.64	7	0.28	1.30	4.8
266	559	**Wetterau**	118.5	26 – 9⅜	25⅛	14.75	0.59	2.26	11	0.09	0.88	3.5
267	268	**Consol Freightways**	118.2	30⅝– 9	27	20.00	0.74	2.65	10	0.46	1.00	3.7
268	716	**National Fuel Gas**	118.0	29⅛– 9⅜	28¾	46.00	1.60	4.10	7	0.30	1.88	6.5
269	648	**Ford Motor**	117.9	51⅜–10½	46½	41.23	0.89	16.19	3	0.17	1.60	3.4
270	135	**General Dynamics**	117.4	69¾–18¾	65¾	23.91	0.36	7.23	9	0.40	1.00	1.5
271	378	**Figgie Intl Holdings**	116.9	27⅛– 8½	22½	30.44	1.35	3.38	7	0.18	0.68	3.0
272	194	**Dover**	116.5	40 –15⅜	34⅜	14.06	0.41	2.80	12	1.03	0.82	2.4
273	361	**CBT**	116.5	38 –12⅜	32¾	34.07	1.04	4.79	7	0.41	1.80	5.5
274	399	**Hammermill Paper**	116.1	55⅜–19⅞	45⅜	45.47	1.00	6.00	8	0.23	2.04	4.5
275	185	**West Point-Pepperell**	115.5	54⅞–14⅛	38¼	41.11	1.07	5.40	7	0.29	2.20	5.8
276	230	**Roadway Services**	115.1	37⅛–11	28½	13.12	0.46	2.45	12	0.82	1.00	3.5
277	229	**Bell & Howell**	114.8	30½– 8¼	25⅜	21.46	0.85	2.91	9	0.20	0.56	2.2
278	175	**Masco**	114.7††	37 – 9⅞	27⅜	12.32	0.45	2.20	12	1.44	0.56	2.0
279	473	**Questar**	114.4	34¼–12⅜	31¾	19.64	0.62	3.15	10	0.86	1.60	5.0
280	606	**Potomac Electric Power**	114.1	25¼–10	24⅝	18.80	0.76	3.18	8	0.99	1.94	7.9
281	246	**Times Mirror**	113.7	45⅝–14⅜	39	16.31	0.42	3.36	12	0.98	1.36	3.5
282	296	**Allied Stores**	113.1	56½–18¾	50⅞	46.00	0.90	6.17	8	0.27	2.00	3.9
283	347	**Bank of Boston**	113.0	47⅝–16½	40⅞	53.27	1.30	6.40	6	0.26	2.40	5.9
284	601	**Capital Holding**	112.7	44 –16	42	33.00	0.79	4.54	9	0.62	1.54	3.7
285	297	**Knight-Ridder Newspapers**	112.5	31 – 9½	27⅝	12.59	0.46	2.06	13	1.10	0.64	2.3
286	217	**Amer Medical Intl**	112.3	37¼– 9¼	21½	9.73	0.45	1.64	13	0.89	0.60	2.8
287	372	**Gannett**	112.3	48⅜–17⅜	45¼	12.78	0.28	2.63	17	1.94	1.48	3.3
288	338	**Amer International Grp**	112.2	77½–26	67⅜	35.24	0.52	5.11	13	1.17	0.44	0.7
289	240	**Martin Marietta**	112.1	46⅜–14⅞	43⅞	21.25	0.48	–5.72	def	0.35	1.34	3.1
290	462	**Interpublic Group**	112.0	36 –12¾	35⅜	14.68	0.41	3.00	12	0.61	1.00	2.8
291	304	**Federal-Mogul**	111.6	37½–12½	34⅛	22.47	0.66	3.49	10	0.51	1.52	4.5
292	465	**Gillette**	111.4	57½–17⅝	55¾	24.65	0.44	5.15	11	0.76	2.44	4.4
293	282	**City Investing**	110.4	44½–14½	37⅞	32.10	0.85	0.91	42	0.23	2.00	5.3
294	330	**Yellow Freight System**	110.3	48¼–10⅞	30½	17.55	0.58	3.11	10	0.33	1.00	3.3
295	293	**Hoover**	110.0	28½– 8⅝	26¼	14.58	0.56	2.73	10	0.48	1.00	3.8
296	*	**Primark**	109.9‡	35¾–14	33¼	37.02	1.11	5.95	6	0.14	2.00	6.0
297	34	**Sanders Associates**	109.9	60¾–16	37¼	16.58	0.45	2.25	17	0.95	0.56	1.5
298	704	**ARA Services**	109.0	70⅜–23½	70	46.16	0.66	5.19	13	0.25	2.10	3.0
299	*	**Norstar Bancorp**	108.9	36⅞–14⅝	33⅞	30.87	0.91	4.67	7	0.81	2.20	6.5
300	321	**Auto Data Processing**	108.6	44½–16¼	36½	13.50	0.37	2.19	17	1.39	0.62	1.7
301	302	**Ethyl**	107.8	30⅜– 9	30	21.13	0.70	3.19	9	0.66	0.85	2.8
302	474	**General Mills**	107.0	60 –19	51¾	27.05	0.52	4.66	11	0.42	2.24	4.3
303	87	**Payless Cashways**	106.7	34½– 5¼	15⅜	7.60	0.49	1.24	12	0.50	0.16	1.0
304	661	**Emhart**	106.4	31⅝–10⅝	29⅜	18.52	0.63	3.38	9	0.45	1.40	4.8
305	202	**Abbott Laboratories**	106.1	53⅜–17⅛	42⅜	11.70	0.28	3.20	13	1.68	1.20	2.8
306	560	**Genuine Parts**	104.8	33¾–12½	32¼	11.72	0.36	2.14	15	0.77	1.02	3.2
307	561	**Kellogg**	104.6	39¼–15⅝	38⅜	12.78	0.33	3.24	12	1.17	1.76	4.6
308	272	**American General**	104.1	26¼– 8¼	24⅞	24.04	0.97	2.71	9	0.33	0.90	3.6
309	626	**Wisconsin Elec Power**	103.3	33⅜–12⅝	31	25.19	0.81	4.41	7	0.74	2.28	7.4
310	391	**R J Reynolds Industries**	102.6††	69⅞–27	68⅞	37.70	0.55	7.20	10	0.72	3.40	4.9
311	278	**Harvey Hubbell**	102.3	37¼–12⅛	32⅞	18.99	0.58	3.27	10	0.83	1.36	4.1
312	568	**Stanadyne**	102.2	25¼– 9⅜	23½	16.78	0.71	3.61	7	0.48	1.00	4.3
313	149	**Motorola**	101.8	49⅞–13⅝	34⅜	16.47	0.48	3.33	10	0.77	0.64	1.9

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
314	445	**United States Gypsum**	101.6%	65¼–25¾	63½	$43.88	0.69	$10.47	6	0.49	$3.00	4.7%
315	409	**Old Republic Intl**	101.1	37⅝– 9¾	33	26.25	0.80	4.75	7	0.70	0.88	2.7
316	373	**Kroger**	100.7	47¼–14	38⅛	23.98	0.63	3.16	12	0.11	2.00	5.2
317	529	**Consol Natural Gas**	100.6	40¾–18⅞	40¾	31.58	0.77	5.12	8	0.46	2.32	5.7
318	813	**Data General**	100.0	59½–10⅛	54⅞	20.71	0.38	3.08	18	1.14	none	0.0
319	245	**Wyman-Gordon**	100.0	37¼–13	27	16.69	0.62	2.22	12	1.26	0.80	3.0
320	403	**J C Penney**	99.5	67⅞–19⅝	52⅛	47.93	0.92	6.39	8	0.29	2.36	4.5
321	352	**Eaton**	99.0	56½–20¼	51	30.39	0.60	7.19	7	0.50	1.20	2.4
322	153	**Ametek**	99.0	30¼– 9¼	23⅞	8.09	0.34	1.92	12	1.04	0.80	3.4
323	519	**Emerson Electric**	98.2	71¾–29½	69⅝	24.83	0.36	5.10	14	1.14	2.60	3.7
324	346	**Sun Banks**	98.2	29½–10¾	27¾	23.36	0.84	3.18	9	0.66	1.20	4.3
325	385	**So New England Tel**	97.8	40 –14¾	33⅝	28.60	0.85	4.10	8	0.80	2.72	8.1
326	294	**Pfizer**	97.5	44¾–16	38¾	13.66	0.35	3.02	13	1.61	1.32	3.4
327	244	**Shell Oil**	97.2	65½–25	53½	36.76	0.69	5.62	10	0.80	2.00	3.7
328	522	**Chemical New York**	96.2	37½–14¾	32	43.75	1.37	6.20	5	0.27	2.36	7.4
329	471	**Delta Air Lines**	96.2	51 –15½	38⅜	26.38	0.69	5.67	7	0.35	0.60	1.6
330	647	**Dart & Kraft**	95.7†	85⅞–39¾	85⅛	53.31	0.63	8.59	10	0.41	4.24	5.0
331	440	**Texas American Bancshrs**	95.7	45¾–15¾	36⅝	32.76	0.89	3.95	9	0.60	1.52	4.2
332	437	**Great Atl & Pacific Tea**	95.7	18 – 3½	16⅞	10.02	0.59	1.01	17	0.11	none	0.0
333	333	**Texas Commerce Bancshrs**	95.5	48¼–20⅜	43	31.64	0.74	5.62	8	0.71	1.56	3.6
334	417	**Goodyear**	94.2	36⅞–10¾	25	28.61	1.14	3.94	6	0.26	1.60	6.4
335	763	**Jefferson-Pilot**	93.8	39⅞–14¾	38¾	31.80	0.82	3.86	10	1.31	1.32	3.4
336	397	**Unocal**	93.3	56½–21	43¼	29.82	0.69	4.17	10	0.71	1.00	2.3
337	462	**Owens-Illinois**	93.2	46¼–18¼	39⅛	39.35	1.01	4.82	8	0.33	1.68	4.3
338	523	**Nash Finch**	92.9	22 – 8	18	18.34	1.02	2.33	8	0.08	1.00	5.6
339	369	**Insilco**	92.8	25½– 8	18½	14.94	0.81	1.89	10	0.41	1.00	5.4
340	607	**Kansas Power & Light**	92.1	35¼–14½	33⅜	27.18	0.81	5.07	7	0.36	2.76	8.3
341	323	**Dennison Manufacturing**	91.7	26 –10⅜	23	14.45	0.63	2.23	10	0.49	1.20	5.2
342	384	**TRW**	91.5	82 –34½	73½	43.26	0.59	6.96	11	0.46	3.00	4.1
343	538	**Libbey-Owens-Ford**	91.2	50 –19⅝	46⅜	35.06	0.76	5.81	8	0.32	1.32	2.8
344	203	**Dorsey**	91.2	44⅝–12⅜	27¼	25.43	0.93	2.38	11	0.20	1.20	4.4
345	712	**Interstate Bakeries**	91.0	16⅜– 4½	16	12.76	0.80	–2.75	def	0.11	none	0.0
346	567	**IBM**	90.7	134¼–48⅜	122¾	38.01	0.31	10.28	12	1.69	4.40	3.6
347	646	**Northern Trust**	90.2	64 –27¾	63¼	70.61	1.12	3.83	17	0.42	2.72	4.3
348	507	**Firestone Tire & Rubber**	90.1	23⅞– 6⅛	16⅞	26.65	1.58	2.19	8	0.18	0.80	4.7
349	649	**Mercantile Bancorp**	89.8	31¾–13⅝	31½	35.54	1.13	4.71	7	0.53	1.92	6.1
350	426	**Chubb**	89.4	53 –19⅞	48	42.20	0.88	2.85	17	0.52	2.20	4.6
351	411	**Carson Pirie Scott**	89.1	44¾–12¾	36⅞	35.42	0.96	2.27	16	0.17	1.20	3.3
352	*	**Wilson Foods**	88.9‡	14⅝– 4⅛	10⅝	6.91	0.65	–1.21	def	0.03	none	0.0
353	475	**Bank of New York**	88.7	34⅜–13⅜	33½	38.10	1.14	6.17	5	0.34	2.04	6.1
354	313	**Lear Siegler**	88.6	49½–18⅛	43⅜	30.90	0.71	5.03	9	0.37	1.80	4.1
354	442	**SCM**	88.6	43½–16⅝	43⅜	54.32	1.25	4.85	9	0.21	2.00	4.6
356	401	**Westvaco**	88.4	42 –16½	38½	29.39	0.76	4.60	8	0.61	1.32	3.4
357	311	**Gulf & Western Inds**	88.2	35 –11⅛	27⅞	26.01	0.93	3.57	8	0.47	0.90	3.2
358	505	**McDonnell Douglas**	88.0	73¾–22½	68⅝	53.50	0.78	7.89	9	0.30	1.62	2.4
359	439	**Travelers**	87.5	38¼–16½	35¾	36.52	1.02	3.96	9	0.23	1.92	5.4
360	387	**Maytag**	87.4	57¾–21½	46⅝	15.98	0.34	4.58	10	1.00	3.10	6.6
361	138	**Allied Supermarkets**	86.4	4⅞– 1	2½	7.23	2.82	0.00	NM	0.03	none	0.0
362	812	**St Regis**	86.4	59⅜–17½	56⅜	40.02	0.71	3.57	16	0.56	1.12	2.0
363	518	**Allegheny Power System**	86.3	29½–12⅛	28⅞	23.70	0.82	3.64	8	0.82	2.70	9.4
364	359	**Avondale Mills**	86.3	25⅞– 6¾	15¼	23.37	1.53	3.12	5	0.20	0.80	5.2
365	759	**Atlanta Gas Light**	86.1	29 –12⅝	26¾	29.34	1.10	4.50	6	0.14	2.52	9.4
366	*	**Peoples Energy**	85.9‡	15½– 7	14⅞	11.88	0.80	2.07	7	0.28	1.06	7.1
367	348	**American Brands**	85.6	65⅛–29¼	63	36.90	0.59	7.16	9	0.77	3.75	6.0
368	490	**Winn-Dixie Stores**	85.6	37⅜–14⅛	30½	14.86	0.49	2.85	11	0.17	1.68	5.5
369	847	**UAL**	85.5	45 –13½	41½	40.33	0.97	6.73	6	0.21	0.50	1.2
370	162	**Todd Shipyards**	84.8	41¾–14	33½	30.27	0.90	5.25	6	0.24	1.32	3.9
371	429	**Bemis**	84.5	27 –10½	25⅜	24.85	0.98	2.32	11	0.22	0.88	3.5
372	596	**Northern States Power**	84.4	44¼–18	41¼	34.17	0.83	5.89	7	0.72	3.24	7.9
373	542	**Farmers Group**	84.3	49⅞–23	49¾	27.04	0.54	4.56	11	1.94	1.52	3.1
374	777	**Coca-Cola**	83.7	66 –28⅞	63⅜	21.42	0.34	4.67	14	1.15	2.76	4.4
375	*	**Swift Independent**	83.7‡	37¾– 8⅞	22½	23.52	1.05	2.86	8	0.04	1.20	5.3
376	322	**Combined International**	83.7	43½–16⅛	35⅛	22.98	0.65	3.95	9	0.77	2.08	5.9
377	209	**Shaklee**	83.5	42¼– 6½	13⅞	12.00	0.86	1.01	14	0.39	0.72	5.2

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Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
378	589	**Wisconsin Public Service**	**83.5%**	32¾–13⅝	31⅞	$25.38	0.80	$4.32	7	0.58	$2.56	8.0%
379	502	**Lincoln National**	**83.4**	41½–16⅝	40⅛	35.82	0.89	4.07	10	0.40	1.84	4.6
380	465	**Amer National Insurance**	**83.3**	30⅝–10⅝	28⅞	31.82	1.10	3.20	9	1.12	1.08	3.7
381	227	**Service Merchandise**	**83.2**	26¾– 3¾	12⅛	8.36	0.68	1.48	8	0.23	0.08	0.7
382	611	**So California Edison**	**82.7**	24⅜–10	22⅝	18.82	0.84	3.17	7	0.98	2.04	9.1
383	452	**Household International**	**82.1**	34⅛–13⅝	33	28.38	0.86	4.10	8	0.20	1.75	5.3
384	460	**Southeast Banking**	**81.7**	27⅞–12½	26¼	25.75	0.99	3.27	8	0.42	1.08	4.1
385	486	**American Home Products**	**81.7**	55⅝–21⅜	49½	13.09	0.26	4.33	11	1.51	2.64	5.3
386	506	**Federated Dept Stores**	**81.4**	69 –21⅛	50⅛	48.01	0.96	6.18	8	0.26	2.40	4.8
387	848	**Dominion Resources**	**81.0**	29¼–13⅜	28½	28.01	0.98	3.55	8	0.92	2.72	9.5
388	511	**Irving Bank**	**80.9**	34⅛–15	30¾	42.23	1.37	5.24	6	0.26	1.84	6.0
389	480	**Armstrong World Inds**	**80.3**	33⅜–12⅜	29¾	24.55	0.83	3.52	8	0.46	1.20	4.0
390	701	**Orange & Rockland Utils**	**80.2**	24⅛–10⅝	22¾	19.70	0.87	2.85	8	0.53	2.04	9.0
391	455	**Parker-Hannifin**	**79.9**	37 –14⅞	33⅝	19.33	0.57	3.02	11	0.66	1.12	3.3
392	253	**Alco Standard**	**79.8**	40⅛–12¾	29	19.43	0.67	2.85	10	0.19	1.20	4.1
393	680	**Manufacturers National**	**79.8**	45½–11⅜	44½	57.61	1.29	7.02	6	0.38	2.00	4.5
394	374	**CNA Financial**	**79.7**	32 –10⅛	28¾	23.54	0.82	2.98	10	0.46	none	0.0
395	674	**PepsiCo**	**78.9**	50 –20	44½	19.17	0.43	2.12	21	0.50	1.68	3.8
396	602	**Florida Power & Light**	**76.5**	45⅝–19⅞	44⅛	38.94	0.88	4.88	9	0.67	3.76	8.5
397	526	**Tyler**	**76.4**	31½–10½	27⅛	18.17	0.67	3.70	7	0.22	0.70	2.6
398	743	**Federal Co**	**76.4**	35⅛–13	32⅝	27.55	0.84	5.36	6	0.20	1.64	5.0
399	256	**Cabot**	**76.2**	36⅝–14⅝	26⅞	20.98	0.78	3.02	9	0.49	0.92	3.4
400	*	**Arkansas Best**	**76.1**	27½– 6⅝	15⅝	13.29	0.85	2.39	7	0.15	0.40	2.6
401	732	**Baltimore Gas & Elec**	**75.7**	39⅝–18⅜	38⅞	34.09	0.88	5.73	7	0.87	3.20	8.2
402	197	**Golden West Financial**	**75.4**	30½– 4½	18¾	11.34	0.60	3.78	5	0.39	0.20	1.1
403	377	**Scott Paper**	**75.3**	34⅞–13⅝	32	30.59	0.96	3.52	9	0.60	1.12	3.5
404	176	**Life Investors**	**75.0**	41⅜–15½	40¾	28.33	0.70	3.35	12	0.56	0.24	0.6
405	*	**Church's Fried Chicken**	**74.9**	33½–16⅛	28⅛	12.71	0.45	1.81	16	1.04	0.80	2.8
406	752	**Society**	**74.7**	34⅛–14⅛	33⅝	41.38	1.23	5.23	6	0.54	1.70	5.1
407	316	**PACCAR**	**74.5**	59½–18⅞	44	33.33	0.76	5.98	7	0.37	1.20	2.7
408	838	**Petrie Stores**	**74.4**	40 –15½	34	14.11	0.42	2.37	14	0.98	1.40	4.1
409	404	**Sears, Roebuck**	**73.6**	45⅛–14⅜	31¼	27.60	0.88	3.93	8	0.29	1.76	5.6
410	722	**Wells Fargo**	**73.5**	47⅜–18¼	46⅝	50.15	1.08	6.48	7	0.31	2.16	4.6
411	215	**Morrison-Knudsen**	**72.7**	46½–15¾	30⅞	32.74	1.06	4.02	8	0.15	1.40	4.5
412	281	**Springs Industries**	**72.7**	45 –12¾	32⅝	47.50	1.47	4.64	7	0.30	1.52	4.7
413	607	**Rainier Bancorporation**	**72.5**	47⅛–17⅝	47	40.71	0.87	6.10	8	0.58	1.76	3.7
414	259	**Hilton Hotels**	**72.3**	60⅛–25½	54½	23.73	0.44	3.50	16	2.15	1.80	3.3
415	597	**Pacific Lighting**	**71.9**	39⅛–17	38¼	34.73	0.91	3.46	11	0.28	3.32	8.7
416	482	**Kaufman & Broad**	**71.4**	25⅛– 6½	16½	13.20	0.80	1.47	11	0.34	0.40	2.4
416	101	**M/A-Com**	**71.4**	35½– 9⅞	18	9.08	0.50	0.90	20	1.01	0.22	1.2
416	600	**Union Camp**	**71.4**	43⅝–18⅜	36	24.55	0.68	3.76	10	0.91	1.64	4.6
419	614	**GenCorp**	**71.3**	39⅛–11¼	32⅞	43.85	1.33	2.81	12	0.31	1.50	4.6
420	735	**AmeriTrust**	**70.8**	55½–23	55½	67.50	1.22	7.11	8	0.82	2.88	5.2
421	885	**Talley Industries**	**70.3**	15⅝– 3⅜	13⅝	9.41	0.69	1.25	11	0.29	none	0.0
422	629	**General Foods**	**70.3**	59⅞–23½	57¼	39.15	0.68	6.91	8	0.33	2.50	4.4
423	700	**Provident Life & Acc**	**70.2**	83 –32½	80	73.62	0.92	10.63	8	0.56	2.88	3.6
424	543	**United Technologies**	**69.8**	41⅝–15⅝	36½	27.21	0.75	4.83	8	0.28	1.40	3.8
425	698	**Colgate-Palmolive**	**69.6**	26½–11	24⅜	16.20	0.66	2.37	10	0.41	1.28	5.3
426	593	**Olin**	**69.4**	34 –12½	30½	35.37	1.16	3.78	8	0.35	1.50	4.9
427	809	**Warner Lambert**	**69.4**	36⅝–17	33⅞	17.75	0.52	2.77	12	0.86	1.48	4.4
428	319	**George A Hormel**	**69.3**	35 –13⅜	29	27.48	0.95	3.07	9	0.19	1.08	3.7
429	*	**Nabisco Brands**	**69.1‡**	54 –25⅜	52⅝	26.91	0.51	4.79	11	0.51	2.48	4.7
430	*	**Rorer Group**	**68.8**	34⅛–14⅛	29⅛	10.43	0.36	1.08	14	1.21	1.08	3.7
431	446	**McCormick**	**68.6**	35½–16	32⅞	17.24	0.52	4.98	7	0.53	0.88	2.7
432	418	**Worthington Industries**	**68.5**	29 – 9⅜	22¾	9.58	0.42	1.81	13	0.67	0.56	2.5
433	639	**Northwest Industries**	**68.5**	80½–24⅛	58¾	30.47	0.52	–1.72	def	0.64	2.68	4.6
434	576	**Foodarama Supermarkets**	**68.4**	10⅝– 3	8	16.49	2.06	–1.02	def	0.02	none	0.0
435	496	**Square D**	**68.3**	41½–17⅝	39⅛	17.70	0.45	3.70	11	0.83	1.84	4.7
436	540	**Chesebrough-Pond's**	**68.2**	47⅛–19⅛	37	18.26	0.49	3.18	12	0.70	1.92	5.2
437	721	**Southwestern Public Svc**	**68.0**	22 – 9½	20⅜	12.99	0.64	2.57	8	0.99	1.88	9.2
438	785	**Hawaiian Electric Inds**	67.7	21⅛– 9⅛	20⅛	19.26	0.96	2.45	8	0.47	1.64	8.1
439	515	**Interlake**	67.7	51⅛–22½	41½	56.15	1.35	6.97	6	0.24	2.60	6.3
440	72	**Intel**	67.4	45⅛–10⅝	28¾	10.04	0.36	1.92	15	2.06	none	0.0
441	*	**Storer Communications**	67.4	44⅛–19	40⅝	19.91	0.49	–1.90	def	1.28	0.40	1.0

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442	692	Florida Progress	67.3%	24¼–10⅞	23⅝	$19.61	0.83	$2.74	9	0.75	$2.16	9.1%
443	371	National Gypsum	67.0	39⅜–16¼	36¾	31.31	0.85	6.35	6	0.36	1.76	4.8
444	450	Celanese	66.8	80½–39⅞	79	68.81	0.87	11.78	7	0.32	4.40	5.6
445	328	Hercules	66.7	43⅛–15⅛	34⅛	24.33	0.71	3.65	9	0.71	1.60	4.7
445	677	San Diego Gas & Elec	66.7	22⅜–10½	21⅞	18.52	0.85	3.16	7	0.73	2.10	9.6
447	520	Cyclops	66.3	39⅝–13⅝	37	46.83	1.27	3.98	9	0.12	1.10	3.0
448	694	NBD Bancorp	65.7	50 –19¾	48⅞	66.85	1.37	7.37	7	0.44	2.40	4.9
449	679	Echlin	65.3	27¼–10	25⅝	12.57	0.49	2.12	12	0.77	0.76	3.0
450	266	Witco Chemical	65.3	39½–13½	33⅝	23.06	0.69	4.27	8	0.33	1.48	4.4
451	171	Pantry Pride	65.2	7¾– 3	4¾	3.67	0.77	0.20	24	0.23	none	0.0
452	443	New England Elec System	65.0	43⅜–17¼	36½	32.28	0.88	5.80	6	0.61	3.60	9.9
453	706	Delmarva Power & Light	64.4	22¼–10¼	20¾	16.87	0.81	2.69	8	0.89	1.92	9.3
454	746	Boeing	64.3	59½–15	55½	31.33	0.56	7.83	7	0.55	1.40	2.5
455	754	Duke Power	63.8	30⅛–13¾	28¼	26.21	0.93	3.91	7	1.08	2.48	8.8
456	638	J P Morgan	63.5	86¼–39¾	75⅝	75.42	1.00	11.21	7	0.50	4.40	5.8
457	733	Minn Mining & Mfg	63.2	90½–45⅞	82	31.54	0.38	6.23	13	1.27	3.40	4.1
458	20	G Heileman Brewing	62.7	44 – 7⅛	15	9.01	0.60	1.92	8	0.34	0.50	3.3
459	795	Oklahoma Gas & Electric	62.6	22½–11½	21¾	17.93	0.82	2.59	8	0.87	2.00	9.2
460	307	Sun Chemical	62.4	33 –13¼	29⅜	21.51	0.73	1.44	20	0.27	0.48	1.6
461	758	Godfrey	62.2	15½–6¾	14¾	11.39	0.77	0.87	17	0.07	0.52	3.5
462	531	Dexter	62.0	29¼–11	22⅛	12.06	0.55	1.82	12	0.55	0.80	3.6
463	661	Wisconsin Power & Light	62.0	31⅞–14⅛	28¾	24.46	0.85	3.64	8	0.64	2.56	8.9
464	*	Northwestern Natl Life	61.8	27¼– 9¼	27	27.00	1.00	2.58	10	0.34	0.80	3.0
465	911	Mattel	61.3	31½– 4⅞	12½	−10.65	NE	−9.26	def	0.49	none	0.0
466	405	Greyhound	60.9	28 –12½	23⅛	22.49	0.97	2.01	12	0.54	1.20	5.2
467	708	Commonwealth Energy	60.5	23¾–11¾	22⅞	23.59	1.03	5.00	5	0.28	2.32	10.1
468	757	RCA	60.5	40 –15¾	35½	21.25	0.60	2.22	16	0.30	1.04	2.9
469	508	First Wisconsin	60.0	24⅜– 9¾	20	32.00	1.60	3.39	6	0.30	1.20	6.0
470	588	Mellon Bank	59.9	56½–22	44⅜	53.67	1.21	6.12	7	0.40	2.60	5.9
471	356	American Petrofina	59.2	71⅞–30⅞	60½	53.92	0.89	4.70	13	0.31	3.20	5.3
472	248	Arkla	59.2	29⅞–10⅝	20	9.87	0.49	1.20	17	0.84	1.08	5.4
473	640	Exxon	59.2	45½–24⅞	43⅞	34.79	0.79	6.87	6	0.39	3.40	7.7
474	341	Pay'n Save	59.1	28¾– 8⅜	22⅞	14.37	0.63	1.50	15	0.27	0.60	2.6
475	139	Litton Industries	59.0	86½–34½	62	47.75	0.77	7.32	8	0.56	2.00	3.2
476	562	Diversified Energies	58.4	40 –17⅛	35¼	32.62	0.93	7.21	5	0.19	2.60	7.4
476	728	Washington Gas Light	58.4	21¾– 9	17⅝	16.24	0.92	5.04	3	0.32	1.56	8.9
478	414	Safeco	58.4	35⅛–14⅞	29½	27.74	0.94	3.61	8	0.61	1.50	5.1
479	528	Great Northern Nekoosa	58.0	43¼–18½	34⅛	34.73	1.02	4.84	7	0.47	1.52	4.5
480	424	Kidde	57.9	37 –14¾	28⅛	27.47	0.98	3.45	8	0.25	1.20	4.3
481	773	Procter & Gamble	57.2	63¼–31⅜	58⅜	30.42	0.52	5.05	12	0.74	2.60	4.5
482	740	IPALCO Enterprises	57.1	33¼–17	31⅝	27.14	0.86	4.25	7	1.21	2.92	9.2
482	578	Longs Drug Stores	57.1	50⅛–22¼	44	21.14	0.48	3.57	12	0.37	1.28	2.9
484	783	Southern Company	56.5	18¾–10¼	18	17.60	0.98	3.09	6	0.72	1.92	10.7
485	696	TECO Energy	56.3	30 –13¼	27¾	22.52	0.81	3.66	8	1.04	2.20	7.9
486	771	Iowa-Illinois Gas & El	56.1	27⅝–14⅝	27⅛	25.67	0.95	3.92	7	0.58	2.60	9.6
487	643	Wm Wrigley Jr	55.6	60 –29	58¾	32.34	0.55	5.55	11	0.70	2.92	5.0
488	804	Universal Foods	55.3	31 – 9⅞	22⅛	16.79	0.76	1.71	13	0.36	1.04	4.7
489	794	Eastman Kodak	55.1	98⅛–42⅞	74⅝	45.41	0.61	5.09	15	1.18	3.75	5.0
490	458	Earle M Jorgensen	54.8	31¾–13⅞	23⅛	25.58	1.11	1.66	14	0.53	1.00	4.3
491	127	National Semiconductor	54.5	20 – 4⅜	11⅞	7.11	0.60	0.88	13	0.60	none	0.0
492	653	Scovill	54.2	32⅞–13⅞	27⅜	19.88	0.73	2.77	10	0.40	1.52	5.6
493	368	McKesson	53.9	51 –20½	39⅝	30.26	0.76	3.74	11	0.16	2.40	6.1
494	697	General Motors	53.8	82¾–33⅞	76⅞	65.05	0.85	15.62	5	0.29	5.00	6.5
495	492	MCA	53.7	46⅜–19	41⅞	23.86	0.57	2.09	20	1.31	0.88	2.1
496	622	Marsh & McLennan	53.5	56¼–26⅝	54	13.50	0.25	2.07	26	1.84	2.40	4.4
497	664	Northeast Utilities	53.4	14¾– 7⅜	14	13.83	0.99	2.76	5	0.70	1.48	10.6
498	558	Brooklyn Union Gas	53.3	35½–19	34½	30.50	0.88	4.65	7	0.34	3.00	8.7
499	358	Genesco	53.1	11⅛– 2¾	6⅛	3.04	0.50	0.86	7	0.15	none	0.0
500	641	Business Men's Assur	52.8	47¼–20½	47	47.78	1.02	5.76	8	0.62	1.94	4.1
501	334	Monsanto	52.6	58⅛–21⅛	45½	44.78	0.98	5.67	8	0.54	2.30	5.1
502	364	Burlington Industries	52.6	43 –14¾	25¾	41.63	1.62	2.18	12	0.23	1.64	6.4
503	591	Amer Broadcasting	52.2	77¼–25⅝	59¾	41.39	0.69	6.60	9	0.47	1.60	2.7
504	533	Transamerica	52.2	33 –14⅝	25⅞	28.21	1.09	2.15	12	0.33	1.64	6.3

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank												
84	83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
505	495	W W Grainger	52.2%	66 – 25	56⅞	$28.60	0.50	$4.55	13	0.80	$1.24	2.2%
506	778	Crown Cork & Seal	51.9	45¾– 22¾	44¼	41.36	0.93	4.55	10	0.40	none	0.0
507	536	Moore Corp	51.7	51½– 25½	44¾	26.38	0.59	3.38	13	0.67	2.00	4.5
508	623	Idle Wild Foods	51.6	29½– 10	23½	34.87	1.48	2.46	10	0.05	0.80	3.4
509	120	Pioneer	51.5††	33⅝– 12	25⅜	10.71	0.42	4.13	6	2.03	1.24	4.9
510	695	Texas Utilities	51.4	28⅛– 14⅞	26⅞	26.15	0.97	4.30	6	0.88	2.36	8.8
511	556	Harsco	51.2	25 – 14⅞	23⅝	20.55	0.87	2.00	12	0.47	1.28	5.4
512	821	Boston Edison	51.1	34⅜– 18⅜	33¼	31.90	0.96	4.47	7	0.40	3.24	9.7
513	146	Nucor	51.1	44¼– 15	30⅛	18.31	0.61	2.72	11	0.67	0.36	1.2
514	670	Dana	50.5	33⅜– 11⅞	25⅞	19.79	0.76	3.19	8	0.42	1.28	4.9
515	893	Interco	50.3	85 – 35½	58⅝	68.83	1.17	6.96	8	0.32	3.08	5.3
516	360	NCR	50.2	34⅛– 9⅝	26	19.34	0.74	3.15	8	0.67	0.80	3.1
517	651	Citicorp	50.0	46⅛– 17	35⅝	41.99	1.18	6.04	6	0.23	2.06	5.8
518	769	Central & South West	49.6	22⅛– 11¼	21⅛	24.89	1.18	3.52	6	0.71	1.90	9.0
519	772	Digital Equipment	49.4	132⅛– 56¾	102⅞	68.83	0.67	7.90	13	0.99	none	0.0
520	590	Jack Eckerd	49.2	34⅞– 12⅝	27½	16.47	0.60	2.27	12	0.39	1.00	3.6
521	725	Anderson, Clayton	48.6	34 – 18⅛	33⅝	46.89	1.39	2.12	16	0.25	1.32	3.9
522	719	CBS	48.2	87⅜– 33⅜	77⅝	48.45	0.62	7.98	10	0.47	3.00	3.9
523	494	Seaway Food Town	48.2	14½– 6¼	12½	17.35	1.39	0.77	16	0.06	0.68	5.4
524	545	Intl Multifoods	47.9	36⅝– 13¼	26⅝	26.95	1.01	2.94	9	0.19	1.76	6.6
525	630	Centel	47.8	40⅜– 21¼	37½	26.33	0.70	4.38	9	0.75	2.38	6.3
526	536	Standard Oil Indiana	47.7	99½– 33½	58¼	42.57	0.73	7.55	8	0.58	3.00	5.2
527	684	Central Illinois Light	47.5	23 – 11¼	21¾	21.06	0.97	2.80	8	0.54	2.14	9.8
528	671	USLIFE	47.3	34⅜– 14½	34¼	37.82	1.10	3.63	9	0.62	1.04	3.0
529	66	Mitchell Energy & Dev	46.8	45½– 9½	18⅛	10.81	0.60	1.44	13	0.94	0.24	1.3
530	737	Safeway Stores	46.6	30 – 12⅛	25¾	23.66	0.92	3.13	8	0.08	1.60	6.2
531	451	F W Woolworth	46.3	39⅜– 15⅞	36¾	31.92	0.87	3.93	9	0.20	1.80	4.9
532	94	Commercial Metals	46.0	28 – 7⅝	17¼	19.53	1.13	1.50	12	0.09	0.36	2.1
533	413	Brown-Forman	45.9	45⅛– 17¼	29	20.12	0.69	2.76	11	0.76	0.88	3.0
534	441	Central Steel & Wire	45.8	380 –215	350	430.17	1.23	55.66	6	0.20	30.00	8.6
535	516	Blue Bell	45.8	51⅜– 20½	47⅜	35.45	0.75	4.35	11	0.39	none	0.0
536	585	Federal Paper Board	45.8	27 – 8⅞	21½	13.29	0.62	2.83	8	0.44	0.70	3.3
537	672	Del E Webb	45.5	25 – 4⅞	20	13.16	0.66	1.50	13	0.33	0.15	0.8
538	725	National Can	45.4	37½– 15⅜	33⅝	35.46	1.05	4.07	8	0.17	1.00	3.0
539	623	MGM Grand Hotels	45.3†	23⅛– 5½	11⅝	–0.30	NE	0.40	29	0.80	0.44	3.8
540	823	So Carolina Elec & Gas	44.9	23 – 12	21⅜	18.33	0.86	3.00	7	0.79	2.05	9.6
541	483	Anchor Hocking	44.8	35¾– 13⅜	22⅝	28.94	1.28	1.21	19	0.34	1.48	6.5
542	92	Trinity Industries	44.6	30¾– 9	17⅝	11.60	0.66	–0.26	def	0.66	0.50	2.8
543	834	Comerica	44.2	34⅝– 17	33⅝	38.82	1.15	4.45	8	0.36	2.10	6.2
544	669	Avco	44.1	40⅜– 13⅞	40	46.96	1.17	4.64	9	0.36	1.20	3.0
545	720	Beatrice	43.9	36 – 16¼	29½	20.05	0.68	4.30	7	0.27	1.70	5.8
546	599	CSX	43.8†	27½– 12	22⅞	30.99	1.35	3.39	7	0.44	1.04	4.5
547	745	Utah Power & Light	43.7	25⅛– 13	24¼	18.86	0.78	2.28	11	1.39	2.32	9.6
548	627	Tecumseh Products	43.5	105 – 52	89	72.87	0.82	13.11	7	0.53	4.70	5.3
549	546	K mart	43.2	39¼– 15⅜	34	23.35	0.69	4.18	8	0.21	1.24	3.6
550	410	Fischbach	43.1	55½– 21¾	37¾	48.36	1.28	3.68	10	0.13	1.00	2.6
551	291	Amer Hospital Supply	42.9	49 – 18	30	18.87	0.63	3.11	10	0.65	1.12	3.7
552	331	Nalco Chemical	42.8	37 – 14⅜	24⅝	8.79	0.36	1.93	13	1.37	1.20	4.9
553	303	IU International	42.7	30⅜– 9⅝	15⅞	13.89	0.87	0.74	21	0.18	1.20	7.6
554	603	Marine Midland Banks	42.7	30¾– 11¾	26¾	49.36	1.85	4.89	5	0.20	1.60	6.0
555	579	GTE	42.5	48⅜– 22⅛	40¼	33.89	0.84	5.41	7	0.56	3.08	7.7
556	690	Pacific Gas & Electric	42.4	16¾– 9⅝	16⅜	16.39	1.00	2.40	7	0.69	1.72	10.5
557	613	Mead	41.9	42 – 13½	35⅛	28.60	0.81	4.42	8	0.41	1.20	3.4
558	394	American Cyanamid	41.9	59 – 20⅝	48¼	32.73	0.68	4.50	11	0.62	1.90	3.9
559	476	Honeywell	41.7	69¾– 29¾	59	49.37	0.84	6.40	9	0.47	1.90	3.2
560	738	Atlantic City Electric	41.6	25⅞– 14⅞	24¼	23.58	0.97	3.27	7	0.79	2.48	10.2
561	415	Sun Company	41.0	59¾– 26¾	49¼	44.53	0.90	4.01	12	0.38	2.30	4.7
562	478	Kemper	40.7	51½– 20⅞	40⅝	54.98	1.35	1.91	21	0.27	1.80	4.4
563	504	B F Goodrich	40.1	43⅞– 16⅜	27½	47.06	1.71	3.06	9	0.19	1.56	5.7
564	113	Purolator Courier	39.9	70 – 14	26½	27.63	1.04	2.74	10	0.26	1.28	4.8
565	407	Morse Shoe	39.8	39¾– 10	18⅞	23.32	1.24	2.40	8	0.20	0.80	4.2
566	768	United States Steel	39.3	35¼– 16	24⅜	43.69	1.79	–6.60	def	0.14	1.00	4.1
567	814	Upjohn	39.2	72¼– 38	65¾	34.74	0.53	5.67	12	0.93	2.56	3.9

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
568	*	MidCon	39.1%‡	39¾–19⅜	38¼	$38.54	1.01	$ 4.86	8	0.28	$2.36	6.2%
569	705	Edison Brothers Stores	39.1	46¾–20¼	34¼	26.81	0.78	4.37	8	0.32	1.60	4.7
570	565	Texas Instruments	38.9	176 –70½	122¼	50.07	0.41	13.70	9	0.53	2.00	1.6
571	421	Ex-Cell-O	38.5	44½–17⅜	36	30.15	0.84	3.57	10	0.47	1.60	4.4
572	416	Zale	38.3	34 –16¼	28	37.01	1.32	3.15	9	0.32	1.32	4.7
573	866	Commonwealth Edison	38.1	29¼–16¼	27⅜	27.56	1.00	4.26	6	0.98	3.00	10.9
574	164	Univar	38.0††	35 – 9¼	17¼	15.28	0.89	2.61	7	0.10	0.68	3.9
575	676	First Bank System	38.0	30⅜–13¾	27¼	33.38	1.22	3.92	7	0.33	1.48	5.4
576	748	Textron	37.9	43½–17¼	36⅜	32.81	0.90	2.78	13	0.39	1.80	4.9
577	744	American Can	37.5	55 –25¾	49	42.78	0.87	3.58	14	0.35	2.90	5.9
578	753	Central Illinois Pub Svc	37.5	17⅞– 9⅞	16½	15.01	0.91	1.91	9	0.79	1.60	9.7
579	829	Louisville Gas & Elec	37.4	26 –14½	25¼	23.00	0.91	3.34	8	0.69	2.44	9.7
580	871	Public Service Colorado	37.4	19⅝–11⅛	18⅜	16.70	0.91	2.32	8	0.53	1.92	10.4
581	824	Pennsylvania Power & Lt	37.3	25⅜–14½	24⅜	25.13	1.03	3.18	8	1.14	2.48	10.2
582	584	Valley National	36.9	30¾–13⅛	28¾	25.93	0.90	3.27	9	0.52	1.20	4.2
583	693	International Paper	36.8	60 –30½	50⅝	66.77	1.32	4.74	11	0.54	2.40	4.7
584	512	Squibb	36.4	55⅝–24⅜	51½	23.24	0.45	3.57	14	1.49	1.60	3.1
585	220	Bausch & Lomb	36.4	35 –15⅝	26	12.56	0.48	1.58	16	1.16	0.78	3.0
586	789	Intl Flavors & Frag	36.3	35¾–16⅝	26¾	9.39	0.35	1.87	14	2.09	1.12	4.2
587	799	PacifiCorp	36.1	25½–16	24½	20.51	0.84	3.78	6	0.87	2.32	9.5
588	573	Transway International	35.9	38⅞–19½	32⅝	27.36	0.84	3.60	9	0.25	1.80	5.5
589	486	Sterling Drug	35.6	29⅝–16	27⅛	14.96	0.55	2.33	12	0.88	1.16	4.3
590	271	Southland	35.6	48¼–11¼	25¼	22.94	0.91	3.36	8	0.10	0.92	3.6
591	363	InterNorth	35.5	49¾–21	39⅝	33.28	0.84	5.39	7	0.29	2.48	6.3
592	681	U S Bancorp	35.3	24⅞–12¼	23	24.47	1.06	2.84	8	0.62	1.00	4.3
593	761	CertainTeed	34.7	25¾–10	19⅞	20.46	1.03	1.84	11	0.32	0.60	3.0
594	811	NY State Electric & Gas	34.1	22⅞–13⅛	21⅛	22.75	1.08	3.62	6	0.96	2.44	11.6
595	688	Centerre Bancorporation	34.0	29 –15⅞	25¼	38.67	1.53	2.75	9	0.36	1.80	7.1
596	652	McGraw-Edison	34.0	51 –20¾	35	34.56	0.99	3.07	11	0.26	2.00	5.7
597	796	First Chicago	33.9	28 –10¾	20¾	35.80	1.73	1.16	18	0.22	1.32	6.4
598	685	Carter Hawley Hale	33.8	32¼–10½	23¼	21.26	0.91	3.04	8	0.11	1.22	5.2
599	301	Fremont General	33.7	33 – 5½	16½	11.37	0.69	–0.10	def	0.26	0.48	2.9
600	610	Continental Telecom	33.3	25⅞–12⅝	21½	17.17	0.80	2.51	9	0.67	1.72	8.0
601	899	Colonial Penn Group	33.1	31⅜–11¼	28⅛	21.35	0.76	3.02	9	0.36	1.40	5.0
602	749	Kansas City Power & Lt	33.1	22½–12⅛	19⅝	23.52	1.20	4.52	4	0.97	2.36	12.0
603	860	Rochester Gas & Elec	33.0	18⅞–10	18⅛	22.09	1.22	3.54	5	0.58	2.04	11.3
604	249	Control Data	32.7	64⅜–13½	36	47.58	1.32	1.27	28	0.28	0.66	1.8
605	774	Niagara Mohawk Power	32.7	18½–10	16¾	18.43	1.10	3.00	6	0.67	2.00	11.9
606	598	CPC International	32.5	44⅞–27¼	40	26.92	0.67	2.83	14	0.45	2.20	5.5
607	779	Public Service E&G	32.5	27¾–15½	25½	27.05	1.06	4.00	6	0.67	2.72	10.7
608	429	North American Coal	32.3	53⅛–20¼	51¼	33.31	0.65	7.70	7	0.34	1.00	2.0
608	564	Skyline	32.3	30¾– 8½	15⅜	10.66	0.69	0.70	22	0.46	0.48	3.1
610	*	Iowa Resources	32.0	29⅞–18½	29⅜	28.71	0.98	4.14	7	0.63	3.00	10.2
611	691	MGM/UA Entertainment	32.0†	22¼– 5	12⅜	7.86	0.64	0.69	18	0.87	0.20	1.6
612	970	General Public Utils	31.9	11⅜– 3⅜	11⅜	24.28	2.13	1.74	7	0.27	none	0.0
613	571	Johnson Controls	31.6	49⅝–17½	41⅝	29.61	0.71	4.71	9	0.41	1.86	4.5
614	859	Union Electric	31.3	16¼– 9¾	15¾	16.44	1.04	2.75	6	1.07	1.72	10.9
615	489	Alcoa	31.2	48⅝–21⅞	36	39.06	1.09	4.51	8	0.50	1.20	3.3
616	554	Fruehauf	31.1	33⅝–10⅛	24¼	24.47	1.01	4.14	6	0.17	0.60	2.5
617	750	Kentucky Utilities	31.0	24⅞–14⅜	23¾	22.77	0.96	3.20	7	0.83	2.36	9.9
618	574	Carpenter Technology	30.8	58¼–26¼	39¼	35.10	0.89	3.94	10	0.62	2.10	5.4
619	582	Northwest Airlines	30.8	55½–20⅜	36⅛	39.34	1.09	4.19	9	0.32	0.80	2.2
620	434	Allen Group	30.5	24¾–10¼	16¼	14.00	0.86	1.59	10	0.28	0.60	3.7
621	635	Stewart-Warner	30.0	36 –13¾	32¼	26.04	0.81	1.59	20	0.70	1.68	5.2
622	787	Walt Disney Productions	29.8	84¾–40½	58¼	40.59	0.70	0.61	NM	1.18	1.20	2.1
623	325	LTV	29.7††	25⅜– 7½	10⅛	17.31	1.72	–2.17	def	0.13	none	0.0
624	381	SONAT	29.6	39⅝–19⅞	35	31.84	0.91	5.18	7	0.53	1.85	5.3
625	617	H J Wilson	29.5	29½– 7⅜	12¾	15.47	1.21	0.73	17	0.19	0.20	1.6
626	644	Riegel Textile	29.3	34⅞–15⅜	24¼	39.67	1.64	4.29	6	0.21	1.80	7.4
627	636	Penn Traffic	29.2	26½–11⅝	18¼	25.52	1.40	2.44	7	0.07	1.20	6.6
628	844	Carolina Power & Light	28.8	25¼–14⅞	24⅝	25.33	1.03	3.66	7	0.87	2.52	10.2
629	*	Alltel	28.7	26¼–14⅛	23⅜	19.90	0.85	2.92	8	0.73	1.84	7.9
630	503	Johnson & Johnson	28.4	51½–22	33⅞	15.81	0.47	2.50	14	1.05	1.20	3.5

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
631	524	First Interstate Bancorp	28.3%	47 –21⅝	40¼	$47.42	1.18	$5.99	7	0.35	$2.34	5.8%
632	467	USF&G	27.9	31 –15⅝	24⅝	22.60	0.92	2.53	10	0.50	2.08	8.4
633	355	Gordon Jewelry	27.3	22⅞– 8½	14⅞	20.47	1.38	2.33	6	0.35	0.52	3.5
634	332	MCorp	27.2	36⅜–12⅜	21¾	24.48	1.13	3.66	6	0.68	1.32	6.1
635	193	Farm House Foods	27.1	7 – 1⅜	3⅜	3.47	1.03	0.26	13	0.02	none	0.0
636	925	Portland General Elec	26.9	17⅛–10¾	16½	18.17	1.10	3.46	5	1.08	1.82	11.0
637	832	Continental Corp	26.8	38 –20⅝	33¾	41.41	1.23	0.35	NM	0.37	2.60	7.7
638	675	Washington National	26.5	39⅝–12	21½	29.70	1.38	1.81	12	0.29	1.08	5.0
639	*	Central Hudson Gas & El	26.0	26⅛–15	23⅝	27.40	1.16	4.50	5	0.50	2.84	12.0
640	714	Schering-Plough	25.9	48⅛–24⅞	38¼	25.10	0.66	3.46	11	1.04	1.68	4.4
641	493	Panhandle Eastern	25.7	52¼–20½	38¼	36.04	0.94	3.77	10	0.50	2.30	6.0
642	662	Kerr Glass Mfg	25.6	21¼– 8½	12¼	16.72	1.36	–1.40	def	0.15	0.44	3.6
643	710	Montana Power	25.6	36⅜–18	25⅛	28.48	1.13	2.55	10	1.03	2.80	11.1
644	497	Snap-On Tools	25.1	37½–16½	33⅝	12.75	0.38	2.84	12	1.32	1.00	3.0
645	888	Brockway Inc (NY)	25.0	19½–12⅝	17½	28.07	1.60	–0.44	def	0.15	1.32	7.5
646	594	Eastern Gas & Fuel	24.9	32½–14¼	27	22.74	0.84	3.02	9	0.46	1.30	4.8
647	133	General Instrument	24.5	66⅞–12⅝	21⅛	19.97	0.95	1.07	20	0.69	0.50	2.4
648	472	General Signal	24.3	54¼–28	46¾	29.67	0.63	3.72	13	0.76	1.80	3.9
649	531	Leaseway Transportation	24.0	47⅝–19⅜	27¾	24.28	0.87	2.96	9	0.24	1.50	5.4
650	767	Willamette Industries	23.8	47⅛–16¼	34	26.23	0.77	3.17	11	0.45	1.50	4.4
651	499	Air Products & Chems	23.5	54¼–23⅝	45⅜	33.69	0.74	4.55	10	0.81	1.20	2.6
652	525	RepublicBank	23.3	38¼–17½	28	34.20	1.22	3.93	7	0.37	1.64	5.9
653	659	J P Stevens	23.1	26 –11⅞	16½	30.73	1.86	1.23	13	0.13	1.20	7.3
654	420	Zurn Industries	23.0	37⅜–14⅛	25⅜	24.74	0.97	2.36	11	0.44	1.32	5.2
655	605	Joy Manufacturing	22.9	42⅞–18	25⅛	25.77	1.03	1.80	14	0.66	1.40	5.6
656	292	American Maize-Products	22.8	20⅞– 8	15½	21.66	1.40	1.99	8	0.20	0.52	3.4
657	837	Detroit Edison	22.2	16 –10	15⅛	16.62	1.10	2.22	7	0.85	1.68	11.1
658	*	DWG	22.1	3⅞– 1	2¼	6.98	3.10	0.08	28	0.05	none	0.0
659	541	Southern Union	21.7	34⅛–14	27	20.84	0.77	1.61	17	0.27	1.72	6.4
660	854	Wicor	21.4	27¾–15¾	26¼	26.21	1.00	4.59	6	0.18	2.30	8.8
661	324	Heck's	21.4	19⅝– 6½	12¼	12.25	1.00	0.41	30	0.24	0.28	2.3
662	*	Peabody International	21.2‡	15¼– 4⅝	7⅞	11.68	1.48	–1.55	def	0.22	0.20	2.5
663	557	Barnes Group	20.8	26⅛–11⅛	21¾	16.76	0.77	3.26	7	0.32	0.80	3.7
663	456	Perkin-Elmer	20.8	37½–17	25⅜	12.77	0.50	1.68	15	0.92	0.56	2.2
665	655	Fieldcrest Mills	20.8	39 –17⅛	31¼	45.33	1.45	2.96	11	0.21	2.00	6.4
666	619	Resorts International	20.7	53¼–12½	37⅛	27.63	0.74	1.93	19	0.70	none	0.0
667	755	Dayco	20.7	19⅛– 6¼	16¾	22.62	1.35	2.61	6	0.14	0.24	1.4
668	464	Stanley Works	20.6	29½–12¾	25¼	15.52	0.61	2.54	10	0.63	0.96	3.8
669	917	Illinois Power	20.3	24⅛–15¾	23	22.81	0.99	3.98	6	1.00	2.64	11.5
670	491	Easco	20.2	23½– 9⅛	13¾	17.32	1.26	–0.67	def	0.17	0.44	3.2
671	236	Cincinnati Milacron	20.1	46¾–16¾	23⅛	13.04	0.56	0.65	36	0.83	0.72	3.1
672	891	Castle & Cooke	20.1	19⅝– 6⅞	16	9.66	0.60	–3.73	def	0.26	none	0.0
673	654	Foxboro	20.1	47½–20⅜	30⅛	25.14	0.83	0.49	61	0.71	1.04	3.5
674	742	Jim Walter	20.0	38¼–12¾	29½	37.86	1.28	4.45	7	0.27	1.20	4.1
675	667	Chevron	19.7	58¾–23½	33¾	41.23	1.22	4.40	8	0.41	2.40	7.1
676	444	Union Carbide	19.6	73⅞–36⅞	50¼	69.95	1.39	2.82	18	0.37	3.40	6.8
677	678	Merck	19.6	104⅝–58¼	86⅜	32.92	0.38	6.54	13	1.85	3.20	3.7
678	790	Sybron	19.5	29¼–12	19⅞	19.40	0.98	–1.28	def	0.33	1.08	5.4
679	351	Alcan Aluminium	19.5	41⅝–15⅞	28	29.42	1.05	2.95	9	0.51	1.20	4.3
680	315	Signal Cos	19.2	38¾–13⅛	31	23.00	0.74	2.39	13	0.57	0.94	3.0
681	453	Raytheon	19.0	57½–28¼	39⅞	22.30	0.56	2.69	15	0.54	1.60	4.0
682	881	Amer Natural Resources	18.9††	38½–16⅞	37¼	28.60	0.77	5.08	7	0.40	2.22	6.0
683	658	Texaco	18.6	54⅜–24¾	34¼	56.85	1.66	4.39	8	0.20	3.00	8.8
684	*	Engelhard	18.6‡	44¾–17	28¾	17.00	0.59	1.82	16	0.33	0.72	2.5
685	857	Frontier Holdings	18.5	28¾– 6⅞	12	16.39	1.37	–0.73	def	0.20	none	0.0
686	876	National City	18.4	34 –15½	33⅜	37.12	1.10	5.17	7	0.55	1.90	5.6
686	177	Zapata	18.4	39⅝–10½	16⅞	22.29	1.32	1.28	13	0.82	0.84	5.0
688	760	Corning Glass Works	18.3	90¼–39¼	66¼	49.01	0.74	4.30	15	0.82	2.56	3.9
689	612	Adolph Coors	18.1	28⅞– 9½	15½	24.57	1.59	1.46	11	0.48	0.40	2.6
690	587	St Paul Cos	17.8	70½–31	48	64.20	1.34	–4.65	def	0.38	3.00	6.3
691	785	E I Du Pont de Nemours	17.6	59 –30	47½	47.03	0.99	6.09	8	0.31	3.00	6.3
692	699	Kay	17.6	28¼– 7⅝	11½	8.80	0.77	0.67	17	0.05	0.20	1.7
693	798	Becton, Dickinson	17.3	54½–22	39⅞	28.80	0.72	3.03	13	0.72	1.20	3.0

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
694	625	Ogden	17.1%	39⅞–17½	26¾	$18.64	0.70	$2.18	12	0.24	$1.80	6.7%
695	852	Cleveland Elec Illum	16.9	23 –13½	19	20.83	1.10	3.61	5	1.15	2.52	13.3
696	682	Beneficial Corp	16.9	35½–14⅝	31⅛	31.66	1.02	3.73	8	0.28	2.00	6.4
697	863	Ampco-Pittsburgh	16.4	26⅝–11⅞	21½	19.55	0.91	0.36	60	0.57	0.30	1.4
698	666	Ferro	16.2	39⅞–17	24¼	28.22	1.16	2.99	8	0.24	1.20	4.9
699	736	Pennwalt	16.1	45¾–21½	36⅞	32.73	0.89	3.85	10	0.44	2.20	6.0
700	580	H F Ahmanson	16.0	40½– 8	24½	33.12	1.35	2.19	11	0.27	1.20	4.9
701	708	Coastal Corp	16.0	59½–14⅛	25⅞	26.05	1.01	4.61	6	0.09	0.40	1.5
702	862	Arizona Public Service	15.9	27⅞–14½	20	23.78	1.19	3.53	6	1.17	2.60	13.0
703	642	Atlantic Richfield	15.9	74⅜–32¼	46⅜	42.68	0.92	2.71	17	0.46	3.00	6.5
704	254	Baxter Travenol Labs	15.8	31⅜– 8⅞	13¾	8.17	0.59	1.28	11	1.07	0.33	2.4
705	830	Eagle-Picher Industries	15.7	26⅞– 9⅝	23	23.28	1.01	2.75	8	0.33	1.04	4.5
706	274	White Consolidated Inds	15.7	48⅜–19	27⅝	37.82	1.37	3.36	8	0.20	1.50	5.4
707	856	Duquesne Light	15.6	19 –11⅜	15¾	16.41	1.04	2.33	7	1.11	2.06	13.1
708	517	Ohio Casualty	15.5	56 –29¼	41	46.50	1.13	2.62	16	0.47	2.68	6.5
709	673	Oneok	15.1	44⅞–17½	27⅝	28.49	1.03	3.46	8	0.30	2.56	9.3
710	390	Sundstrand	14.8	59½–23¼	43⅝	27.35	0.63	3.28	13	0.82	1.80	4.1
711	802	Crane	14.8	44 –17⅛	34½	24.29	0.70	–1.89	def	0.41	1.60	4.6
712	551	American Standard	14.6	43¾–17	31⅜	21.87	0.70	2.46	13	0.40	1.60	5.1
713	715	Copperweld	14.0	31¼–10⅝	14¾	16.56	1.12	0.60	25	0.29	0.58	3.9
714	539	Transco Energy	13.8††	64¼–23⅛	49⅜	34.48	0.70	5.41	9	0.32	2.04	4.1
715	808	California First Bank	13.4	19¼–11½	18¾	23.00	1.23	1.86	10	0.38	1.08	5.8
716	924	American Electric Power	13.3	21⅜–15⅛	20¼	20.23	1.00	2.85	7	0.76	2.26	11.2
717	620	Entex	13.2	24¼–10⅛	20⅜	13.60	0.67	2.87	7	0.39	1.30	6.4
718	336	Ryan Homes	13.0	50 –12	25	18.70	0.75	1.88	13	0.29	1.00	4.0
719	621	Chase Manhattan	12.9	62¼–31¼	43⅝	87.81	2.01	9.22	5	0.16	3.65	8.4
720	634	Boise Cascade	12.9	48¼–19¾	38¼	48.37	1.26	3.68	10	0.27	1.90	5.0
721	776	United Telecom	12.0	25 –14	22⅛	18.92	0.86	2.51	9	0.74	1.92	8.7
722	788	Gulf States Utilities	11.4	16¼– 9	12¼	15.73	1.28	2.31	5	0.72	1.64	13.4
723	668	Quaker State Oil	11.2	23½– 9⅞	17⅜	12.90	0.74	1.40	12	0.42	0.80	4.6
724	427	Houston Natural Gas	11.2	63¼–24⅝	44¾	31.78	0.71	4.25	11	0.71	2.00	4.5
725	618	Occidental Petroleum	11.1	42 –17	30⅛	23.52	0.78	4.04	7	0.18	2.50	8.3
726	858	Fisher Foods	10.7	14⅝– 5⅝	10⅜	14.92	1.44	–1.15	def	0.10	0.05	0.5
727	803	American Bakeries	10.5	20⅝– 8	16½	13.92	0.84	1.57	11	0.08	none	0.0
728	797	Lucky Stores	10.4	25¼–12¼	17¼	11.19	0.65	1.87	9	0.10	1.16	6.7
729	853	Unidynamics	10.3	19⅜– 7⅜	14¾	17.26	1.17	2.02	7	0.26	0.60	4.1
730	711	Owens-Corning Fiberglas	10.1	46⅞–15⅜	31⅜	26.09	0.83	3.88	8	0.31	1.40	4.5
731	395	Union Pacific	9.3	96¼–29¼	39½	35.34	0.89	2.78	14	0.58	1.80	4.6
732	819	Houston Industries	9.3	24¼–16½	21¼	23.78	1.12	3.78	6	0.48	2.48	11.7
733	828	Timken	9.3	78 –40⅜	55¾	66.26	1.19	4.29	13	0.58	1.80	3.2
734	481	United Brands	9.2	27⅛– 6½	11⅞	20.52	1.73	1.28	9	0.05	none	0.0
735	724	Great Western Financial	9.1	31½– 9½	24	24.19	1.01	2.51	10	0.35	0.88	3.7
735	707	Norton	9.1	62 –23¾	36	31.60	0.88	3.10	12	0.59	2.00	5.6
737	911	Dayton Power & Light	8.6	19⅛–11⅛	15¾	19.14	1.22	2.18	7	0.60	2.00	12.7
738	174	Archer Daniels Midland	8.5	24 –10½	17½	17.12	0.98	1.19	15	0.36	0.14	0.8
739	298	Raychem	8.5	93 –37	57½	33.04	0.57	3.40	17	0.88	0.44	0.8
740	751	Emery Air Freight	8.3	26⅝– 7	18	6.68	0.37	1.68	11	0.43	0.50	2.8
741	793	Briggs & Stratton	8.2	37¼–20¾	28⅛	18.87	0.67	2.84	10	0.56	1.82	6.5
742	628	Warner Communications	7.9	63¼–17	20	14.63	0.73	–6.18	def	0.33	none	0.0
743	552	Parker Pen	7.4	26 –10⅞	16¼	8.07	0.50	0.61	27	0.35	0.52	3.2
744	412	Amerada Hess	7.2	54¾–15⅛	26⅛	30.07	1.15	2.74	10	0.25	1.10	4.2
745	575	A O Smith	6.9	23¾– 4⅞	12⅛	27.81	2.29	2.46	5	0.10	0.48	4.0
746	730	Gifford-Hill	6.4	26⅞–10	18¾	22.70	1.21	1.68	11	0.36	0.52	2.8
747	890	Philadelphia Electric	6.4	18⅜– 9	14⅝	17.99	1.23	2.61	6	0.79	2.20	15.0
748	689	Aetna Life & Casualty	6.0	48¼–27¼	35¼	41.40	1.17	1.95	18	0.24	2.64	7.5
749	861	AMF	6.0	28½–11½	15½	16.65	1.07	0.16	NM	0.38	0.50	3.2
750	884	Athlone Industries	6.0	30 –14⅝	20	20.33	1.02	1.35	15	0.17	1.60	8.0
751	530	W R Grace	5.9	63½–28½	42⅞	44.80	1.04	3.99	11	0.31	2.80	6.5
752	615	Gates Learjet	5.5	27¾– 9¼	13⅞	10.32	0.74	0.73	19	0.39	0.05	0.4
753	563	Mobil	5.5	44¾–19½	29	34.29	1.18	3.52	8	0.21	2.20	7.6
754	609	ITT	5.4	47¾–21¾	26⅞	39.37	1.46	3.08	9	0.26	1.00	3.7
755	398	Murphy Oil	4.6	64 –15½	29⅝	26.97	0.91	2.71	11	0.50	1.00	3.4
756	702	Eli Lilly	4.6	68¾–45⅛	62½	28.86	0.46	6.66	9	1.47	3.20	5.1

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
757	822	**Pacific Gamble Robinson**	4.2%	24½–14⅞	20¼	$28.25	1.40	$0.62	33	0.05	$1.40	6.9%
758	923	**Butler Manufacturing**	4.2	30¼–18½	25	27.56	1.10	–0.27	def	0.34	1.32	5.3
759	422	**Allied Corp**	4.1	41⅛–19¼	34⅛	30.24	0.89	0.76	45	0.26	1.80	5.3
760	*	**Richardson-Vicks**	4.1‡	34¾–20½	28⅝	20.55	0.72	3.08	9	0.53	1.48	5.2
761	880	**Middle South Utilities**	4.0	17¼– 9¼	13⅛	18.07	1.38	2.79	5	0.77	1.78	13.6
762	892	**National Intergroup**	3.8	37⅝–13⅞	27½	43.10	1.57	–0.66	def	0.19	0.25	0.9
763	595	**Louisiana-Pacific**	3.4	35⅜–13⅛	19⅞	22.01	1.11	1.40	14	0.55	0.80	4.0
764	431	**Combustion Engineering**	3.0	54¾–20½	30½	23.21	0.76	–0.24	def	0.33	1.84	6.0
765	910	**No Indiana Public Svc**	2.7	15½–10	14⅛	15.33	1.09	1.80	8	0.47	1.56	11.0
766	312	**Newmont Mining**	2.2	79¼–27⅝	40½	48.77	1.20	1.27	32	1.58	1.00	2.5
767	918	**Toledo Edison**	2.1	22½–13⅜	17⅞	24.12	1.35	3.60	5	1.11	2.52	14.1
768	894	**Ohio Edison**	1.9	16⅛– 9⅜	13⅝	15.78	1.16	2.56	5	0.99	1.84	13.5
769	790	**Big Three Industries**	1.9	38 –15⅛	20½	14.61	0.71	1.25	16	1.09	0.80	3.9
770	800	**Central Soya**	1.8	21⅜– 8⅝	14¼	21.17	1.49	1.51	9	0.12	0.84	5.9
771	341	**Wheeling-Pitts Steel**	1.5	40⅛–12⅛	17⅜	61.78	3.56	–4.62	def	0.09	none	0.0
772	*	**Arrow Electronics**	1.2	34 – 7¾	15¾	10.44	0.66	2.11	7	0.14	0.20	1.3
773	841	**Reynolds Metals**	1.2	41⅝–18¾	32⅞	56.19	1.71	5.25	6	0.18	1.00	3.0
774	729	**Economics Laboratory**	1.0	33¼–16	24½	15.44	0.63	2.59	9	0.47	1.04	4.2
775	682	**Cooper Industries**	1.0	62 –19¼	30¾	24.87	0.81	1.97	16	0.65	1.52	4.9
776	894	**Southwest Forest Inds**	0.8	28⅞– 7¼	15⅝	20.59	1.32	1.52	10	0.19	none	0.0
777	912	**Research-Cottrell**	0.7	21⅛– 9¾	17⅝	23.38	1.33	0.59	30	0.23	0.32	1.8
778	261	**Whittaker**	0.7	50⅞–14½	19¼	23.52	1.22	3.51	5	0.18	0.60	3.1
779	717	**First Security**	0.6	27⅜–14⅛	19¾	28.23	1.43	0.74	27	0.42	1.10	5.6
780	366	**Standard Oil Ohio**	0.6	91½–26½	44⅜	32.68	0.74	6.21	7	0.88	2.80	6.3
781	816	**Manufacturers Hanover**	0.0	51 –22½	31⅛	64.28	2.07	7.11	4	0.16	3.20	10.3
781	*	**Smithfield Foods**	0.0	11¾– 4⅜	8	10.82	1.35	0.42	19	0.03	none	0.0
783	882	**Michigan National**	–0.2	20¼– 9¾	16	28.49	1.78	–0.05	def	0.21	none	0.0
784	806	**Potlatch**	–0.4	49¼–19	29⅞	35.48	1.19	2.72	11	0.46	1.56	5.2
785	843	**McDermott International**	–0.5	31⅝–16⅜	24⅞	33.92	1.36	1.02	24	0.31	1.80	7.2
786	616	**Pennzoil**	–0.6	62½–23⅝	43⅞	23.88	0.54	4.26	10	0.89	2.20	5.0
787	950	**Polaroid**	–1.3	37¼–16¾	27⅝	29.77	1.08	1.32	21	0.67	1.00	3.6
788	782	**Equitable of Iowa**	–1.5	28¾–13½	18¼	35.45	1.94	1.77	10	0.25	1.28	7.0
789	457	**Intl Minerals & Chems**	–1.5	66½–23½	38	38.47	1.01	3.33	11	0.66	2.60	6.8
790	345	**Handy & Harman**	–2.0	34½–10¾	18¾	9.41	0.50	1.00	19	0.42	0.66	3.5
791	655	**Fedl Natl Mortgage**	–2.3	30⅛– 6⅜	15¾	19.38	1.23	–0.19	def	0.12	0.16	1.0
792	637	**Tidewater**	–2.4	54⅜–15½	20½	18.95	0.92	–0.73	def	1.11	0.90	4.4
793	781	**Borman's**	–2.4	13¼– 2	5	8.53	1.71	–3.50	def	0.01	none	0.0
794	514	**Schlumberger Limited**	–2.6	87¼–30	40⅝	20.09	0.49	3.92	10	2.02	1.20	3.0
795	766	**Cessna Aircraft**	–3.2	36½–11¾	22¾	17.09	0.75	0.05	NM	0.65	0.40	1.8
796	583	**PSA**	–3.5	42½–15	17⅜	31.72	1.83	–2.09	def	0.15	0.60	3.5
797	547	**Tektronix**	–3.5	86¾–34	57¾	40.02	0.69	6.36	9	0.81	1.00	1.7
798	660	**Black & Decker Mfg**	–4.3	28⅝–12	22	11.78	0.54	1.95	11	0.72	0.64	2.9
799	357	**A E Staley Mfg**	–5.4	42½–15⅜	19⅞	23.11	1.16	1.26	16	0.26	0.80	4.0
800	391	**Foster Wheeler**	–5.7	30½– 9⅝	12½	10.92	0.87	0.99	13	0.31	0.44	3.5
801	731	**Norwest**	–5.9	39½–17	24	35.93	1.50	1.81	13	0.27	1.80	7.5
802	836	**Gould**	–5.9	43¾–19¼	21⅞	19.80	0.91	1.79	12	0.65	0.68	3.1
803	408	**ENSERCH**	–6.1	40 –15¾	18¼	17.95	0.98	1.16	16	0.28	1.60	8.8
804	763	**Tenneco**	–6.5	58⅜–22⅞	36¼	41.34	1.14	4.85	7	0.35	2.92	8.1
805	878	**Phillips Petroleum**	–7.3	62⅞–23½	44½	40.13	0.90	5.77	8	0.44	2.40	5.4
806	713	**Natl Distillers & Chem**	–7.4	33⅜–18⅞	26⅝	30.72	1.15	2.02	13	0.28	2.20	8.3
807	824	**Di Giorgio**	–7.8	15⅞– 7	11⅞	18.32	1.54	0.52	23	0.06	0.64	5.4
808	140	**U S Home**	–9.1	20¾– 5	5⅝	9.37	1.67	–0.88	def	0.17	none	0.0
809	784	**Kerr-McGee**	–9.6	46½–22½	30⅝	32.83	1.07	2.22	14	0.45	1.10	3.6
810	864	**Nashua**	–9.7	33 – 8½	25⅝	23.23	0.91	3.95	6	0.21	none	0.0
811	555	**Amfac**	–9.8	35⅞–17⅛	23	25.75	1.12	–2.20	def	0.16	1.44	6.3
812	936	**Lukens**	–10.9	17½– 8¾	11¼	23.96	2.13	0.08	NM	0.15	0.40	3.6
813	886	**Georgia-Pacific**	–10.9	34⅞–13¼	23½	19.48	0.83	2.24	10	0.35	0.80	3.4
814	883	**Champion Spark Plug**	–11.1	13½– 6⅞	9	9.37	1.04	0.81	11	0.42	0.40	4.4
815	954	**Cincinnati Gas & Electric**	–11.3	20 – 8⅞	14¾	20.35	1.38	2.51	6	0.44	2.16	14.6
815	907	**Rexnord**	–11.3	20¾– 8½	14¾	18.10	1.23	1.29	11	0.34	0.40	2.7
817	741	**Dow Chemical**	–11.7	39¾–19⅝	28⅜	25.77	0.91	2.80	10	0.47	1.80	6.3
818	815	**Crocker National**	–12.1	42 –16¼	25½	58.81	2.31	–8.21	def	0.20	0.40	1.6
819	703	**Weyerhaeuser**	–12.2	41¾–22½	27⅞	21.65	0.78	1.85	15	0.67	1.30	4.7

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
820	927	**Puget Sound Power & Lt**	–13.2%	16½– 9¼	12⅜	$17.04	1.38	$1.60	8	0.90	$1.76	14.2%
821	969	**Texas Air**	–13.3	15¼– 4	8⅛	–8.96	NE	–3.50	def	0.09	none	0.0
822	137	**Dynalectron**	–13.5	17⅜– 5⅝	10⅜	10.22	0.99	0.98	11	0.15	0.25	2.4
823	513	**Williams Cos**	–13.7	49⅞–12⅝	27⅝	34.34	1.24	5.02	6	0.24	1.40	5.1
824	509	**Texas Eastern**	–13.9	44½–18½	28⅝	27.21	0.95	3.23	9	0.26	2.20	7.7
825	905	**Amsted Industries**	–14.4	49 –18⅝	32¾	32.98	1.01	2.23	15	0.57	1.60	4.9
826	717	**SmithKline Beckman**	–14.9	88⅜–43½	53½	24.67	0.46	6.15	9	1.48	2.80	5.2
827	935	**Amdahl**	–15.5	29¾– 7⅝	10⅞	9.59	0.88	0.80	14	0.55	0.20	1.8
828	756	**Harris Corp**	–15.6	60¼–20⅜	27¾	20.48	0.74	2.19	13	0.53	0.88	3.2
829	900	**General Refractories**	–15.8	11 – 2⅜	8	2.78	0.35	1.49	5	0.10	none	0.0
830	840	**Champion International**	–16.2	30¼–11¾	20	29.21	1.46	2.15	9	0.24	0.40	2.0
831	913	**Revere Copper & Brass**	–16.4	25⅜– 4¾	12¾	8.20	0.64	–0.19	def	0.12	none	0.0
832	775	**Columbia Gas System**	–17.2	47 –26⅞	31¼	41.04	1.31	5.10	6	0.25	3.18	10.2
833	433	**Allegheny International**	–17.3	55⅜–16⅜	23⅜	23.72	1.01	1.98	12	0.10	1.40	6.0
833	537	**Pacific Resources**	–17.3	14¾– 5⅝	7⅛	7.12	1.00	–0.23	def	0.06	none	0.0
835	770	**GATX**	–17.7	44 –20½	30¼	29.46	0.97	–7.26	def	0.47	1.20	4.0
836	932	**Liquid Air**	–17.9	34½–14¾	19½	20.36	1.04	1.98	10	0.50	1.60	8.2
837	801	**Lone Star Industries**	–18.3	38⅜–17⅝	23⅜	33.81	1.45	2.33	10	0.30	1.90	8.1
838	645	**United Energy Resources**	–18.7	56 –22	25¼	32.27	1.28	2.32	11	0.17	2.48	9.8
839	960	**Republic Airlines**	–18.8	11⅜– 2⅞	4⅞	–0.73	NE	1.43	3	0.09	none	0.0
840	687	**Best Products**	–19.0	26½– 9⅛	12½	26.64	2.13	1.32	9	0.16	0.24	1.9
841	868	**First City Bancorp**	–19.4	41¼–14⅛	15⅝	24.25	1.55	1.11	14	0.27	1.30	8.3
842	805	**Bethlehem Steel**	–19.5	32 –14½	17	23.52	1.38	–3.51	def	0.14	0.60	3.5
843	866	**Lubrizol**	–19.7	41⅜–14¼	22⅛	12.03	0.54	1.71	13	1.04	1.16	5.2
844	879	**NICOR**	–20.4	45½–24¼	26⅜	31.57	1.20	1.96	13	0.29	3.04	11.5
845	873	**Gelco**	–20.6	37 –13⅜	15¾	15.10	0.96	0.94	17	0.24	0.56	3.6
846	820	**Pan Am Corp**	–20.8	9¼– 2⅜	4¾	4.19	0.88	–1.70	def	0.13	none	0.0
847	897	**Ingersoll-Rand**	–23.1	80 –35½	40	49.52	1.24	–2.66	def	0.33	2.60	6.5
848	723	**Stewart & Stevenson**	–23.4	23¾– 9⅝	11⅜	18.73	1.65	–0.59	def	0.22	none	0.0
849	955	**Chicago Pneumatic Tool**	–23.8	25⅞–10⅞	18	24.30	1.35	2.39	8	0.22	none	0.0
850	438	**Fairchild Industries**	–23.8	33⅞–10⅞	16⅜	18.27	1.12	1.84	9	0.25	0.80	4.9
851	650	**Computer Sciences**	–24.2	29¾–11	14⅛	11.59	0.82	1.40	10	0.28	none	0.0
852	875	**Deere**	–24.3	49¾–20¾	29⅝	33.60	1.13	1.89	16	0.47	1.00	3.4
853	953	**Revlon**	–24.4	53⅞–22⅞	34	25.27	0.74	3.15	11	0.54	1.84	5.4
854	842	**Gibraltar Finl Corp Cal**	–25.6	16 – 2⅝	8⅜	10.18	1.22	2.03	4	0.16	none	0.0
855	901	**Sperry**	–25.7	65⅝–20½	37½	51.58	1.38	5.22	7	0.41	1.92	5.1
856	870	**Longview Fibre**	–25.8	40 –14½	23¾	17.99	0.76	2.57	9	0.56	1.28	5.4
857	942	**Alexander & Alexander**	–26.0	38 –17	24¼	9.00	0.37	–0.33	def	1.21	1.00	4.1
858	874	**Dresser Industries**	–26.0	57 –12¼	19¼	24.61	1.28	0.99	19	0.41	0.80	4.2
859	833	**Halliburton**	–26.2	86⅜–21	31⅜	30.17	0.96	2.93	11	0.66	1.80	5.7
860	889	**DEKALB AgResearch**	–26.2	60¼–12¼	23¼	30.42	1.31	2.37	10	0.47	0.72	3.1
861	903	**National-Standard**	–26.5	21¼– 7⅛	14¼	22.10	1.55	1.85	8	0.21	0.40	2.8
862	300	**Levi Strauss**	–26.5	56 –19⅜	26¾	25.15	0.94	2.24	12	0.38	1.85	6.9
863	869	**Kaiser Aluminum & Chem**	–27.3	30¼–11½	14	28.07	2.01	0.36	39	0.18	0.60	4.3
863	765	**Ramada Inns**	–27.3	12½– 4¼	6	6.40	1.07	0.18	33	0.38	none	0.0
865	914	**Koppers**	–27.3	35¼–11¼	19⅝	19.38	0.99	1.12	18	0.32	0.80	4.1
866	817	**Moore McCormack Res**	–28.1	39⅞–11⅜	20½	39.42	1.92	1.91	11	0.34	1.04	5.1
867	320	**Western Union**	–28.9	54¼–13¾	15⅜	30.56	1.99	–6.50	def	0.34	none	0.0
868	855	**United Illuminating**	–29.0	29 – 9	15	31.41	2.09	5.43	3	0.39	2.00	13.3
869	930	**MAPCO**	–29.0	51⅞–20½	26	22.32	0.86	2.60	10	0.37	1.00	3.8
870	727	**Stauffer Chemical**	–29.4	31¾–14½	15⅞	23.21	1.46	0.39	41	0.46	1.44	9.1
871	937	**Inland Steel**	–29.6	36 –18⅛	22¼	44.91	2.02	–2.53	def	0.16	0.50	2.2
872	922	**Ashland Oil**	–29.9	45¾–20½	28⅛	38.77	1.38	–7.40	def	0.10	1.60	5.7
873	865	**UGI**	–30.0	36¼–16½	19¼	25.10	1.30	1.89	10	0.24	2.04	10.6
874	957	**Apple Computer**	–30.4†	62¾–10¾	23¾	6.38	0.27	1.05	23	0.94	none	0.0
875	961	**Harnischfeger**	–30.6	23¼– 5½	9⅜	9.75	1.04	0.26	36	0.31	none	0.0
876	952	**Burroughs**	–30.6	87½–27⅛	54⅜	49.12	0.90	5.18	10	0.52	2.60	4.8
877	902	**Bucyrus-Erie**	–30.6	27½–10¼	13⅞	12.62	0.91	–2.38	def	0.66	0.44	3.2
878	592	**NL Industries**	–31.2	48⅝–10⅜	11⅞	15.29	1.29	0.15	NM	0.53	0.20	1.7
879	*	**BRAE**	–31.3	27⅝– 6	11	12.32	1.12	1.18	9	0.10	none	0.0
880	909	**Clark Equipment**	–31.3	40 –18	26⅜	32.14	1.22	1.73	15	0.36	1.10	4.2
881	904	**Ideal Basic Industries**	–31.4	36¼–11¾	15⅞	23.39	1.47	–2.99	def	0.55	none	0.0
882	845	**Midland-Ross**	–31.5	30½–11¾	18¾	19.50	1.04	0.97	19	0.28	1.00	5.3

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Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
883	388	**Thorn Apple Valley**	–31.7%	9¾– 4¾	5¼	$ 9.55	1.82	$ 0.27	19	0.03	none	0.0%
884	915	**Westmoreland Coal**	–31.8	33 –13½	18¾	27.19	1.45	2.12	9	0.25	$0.40	2.1
885	375	**Reading & Bates**	–31.9	39⅞– 7⅝	8⅝	15.21	1.76	0.12	72	0.64	0.40	4.6
886	846	**Crown Zellerbach**	–31.9	62¾–15¼	29⅝	35.42	1.20	3.15	9	0.26	1.00	3.4
887	941	**BankAmerica**	–32.6	30¾–14½	18⅝	28.71	1.54	1.83	10	0.20	1.52	8.2
888	747	**CBI Industries**	–32.7	70⅞–24⅛	25¾	26.54	1.03	2.46	10	0.64	1.55	6.0
889	425	**ASARCO**	–33.1	58½–17¼	25	36.27	1.45	–2.97	def	0.49	none	0.0
890	548	**NIKE**	–34.5†	27¾– 6⅝	6⅞	7.36	1.07	0.68	10	0.27	0.30	4.4
891	973	**HRT Industries**	–34.8	45 – 4¼	5⅝	6.31	1.17	–40.25	def	0.09	none	0.0
892	467	**Tesoro Petroleum**	–35.3	32¼–12¼	12⅜	29.28	2.37	0.59	21	0.05	0.40	3.2
893	290	**Freeport-McMoran**	–35.8	32¾–10¼	15⅝	10.00	0.64	1.27	12	1.29	0.60	3.8
894	*	**Imperial Corp of Amer**	–36.2‡	35 – 4¾	7½	12.84	1.71	–1.67	def	0.14	none	0.0
895	604	**Fluor**	–36.3	71 –11⅞	16¾	22.18	1.32	–0.23	def	0.29	0.40	2.4
896	964	**First Pennsylvania**	–37.1	9 – 2⅜	5½	8.72	1.59	–0.57	def	0.17	none	0.0
897	827	**Baker International**	–39.3	53½–15¼	16¼	14.77	0.91	1.00	16	0.62	0.92	5.7
898	921	**Xerox**	–39.6	71¾–20⅛	37½	44.40	1.18	3.05	12	0.41	3.00	8.0
899	945	**Caterpillar Tractor**	–39.8	73¼–29	32½	35.07	1.08	–1.97	def	0.47	0.50	1.5
900	572	**American Motors**	–40.0	11¼– 2⅜	4⅛	1.07	0.26	0.18	23	0.11	none	0.0
901	893	**InterFirst**	–40.1	32⅜– 9½	11½	16.15	1.40	1.79	6	0.32	0.60	5.2
902	949	**Eastern Air Lines**	–40.3	13⅛– 3½	4⅝	3.14	0.68	–3.43	def	0.04	none	0.0
903	824	**Diamond Shamrock**	–41.7	39⅝–16½	18⅜	19.63	1.07	–0.31	def	0.51	1.76	9.6
904	948	**Dravo**	–42.0	33⅛– 9¼	12	16.14	1.35	–0.49	def	0.20	0.50	4.2
905	631	**Datapoint**	–43.8	67½–10⅞	14⅝	17.49	1.20	1.29	11	0.49	none	0.0
906	792	**Holly Corp**	–44.0	19⅝– 4⅞	8⅛	12.28	1.51	3.57	2	0.08	0.24	3.0
907	484	**Gulf Resources & Chem**	–44.1	37⅞– 9⅝	13⅜	10.20	0.75	1.78	8	0.35	none	0.0
908	965	**Avon Products**	–45.1	42⅝–19¼	21⅝	16.15	0.75	2.25	10	0.51	2.00	9.2
909	926	**Long Island Lighting**	–45.3	18 – 3¾	8	19.30	2.41	3.01	3	0.45	none	0.0
910	233	**Global Marine**	–45.8	36½– 4	5⅝	16.12	2.87	–0.45	def	0.44	0.24	4.3
911	780	**Hughes Tool**	–46.2	48¾–12½	14	20.28	1.45	–3.79	def	0.67	0.48	3.4
912	*	**L B Foster**	–46.5‡	17½– 4	7⅝	7.21	0.95	0.39	20	0.21	0.10	1.3
913	532	**Valero Energy**	–46.6	43⅞– 5⅞	5⅞	18.58	3.16	–0.33	def	0.08	0.44	7.5
914	665	**Cameron Iron Works**	–46.8	67 –11⅝	13½	11.25	0.86	–5.74	def	0.78	0.12	0.9
915	958	**Toro**	–47.1	23⅞– 5⅝	12½	8.93	0.71	0.98	13	0.30	0.20	1.6
916	295	**Western Co of North Am**	–47.4	32⅛– 4½	5⅛	7.98	1.56	–0.85	def	0.40	none	0.0
917	734	**Caesars World**	–48.3	18⅞– 6⅝	9¼	6.55	0.71	0.66	14	0.44	none	0.0
918	946	**Chromalloy American**	–48.9	28¼– 7¼	11¾	15.98	1.36	–2.67	def	0.20	none	0.0
919	835	**Phelps Dodge**	–49.8	48½–13½	15½	39.86	2.57	–3.63	def	0.41	none	0.0
920	933	**Northwest Steel & Wire**	–51.2	29¼–12¼	12¼	25.70	2.10	–4.57	def	0.45	none	0.0
921	928	**Inco**	–52.1	33⅛– 7⅞	11⅜	10.82	0.95	–1.71	def	0.78	0.20	1.8
922	920	**Pittston**	–53.7	34¾– 9⅝	11⅞	14.00	1.18	–2.14	def	0.33	none	0.0
923	919	**Armco**	–55.5	41¾– 9	11⅛	18.31	1.65	–4.34	def	0.17	none	0.0
924	898	**Bally Manufacturing**	–55.6	36½–14⅝	16	18.49	1.16	0.08	NM	0.31	0.20	1.3
925	968	**Savin**	–56.8	19 – 3⅝	6⅝	3.68	0.58	–3.80	def	0.32	none	0.0
926	908	**Amer Hoist & Derrick**	–57.7	26½– 8½	8⅞	19.51	2.20	–5.86	def	0.17	none	0.0
927	951	**Bird**	–59.8	21¼– 4⅝	6¾	12.76	1.89	–0.90	def	0.10	none	0.0
928	810	**Kaneb Services**	–60.0	40⅛– 8⅞	9¼	13.07	1.41	–0.85	def	0.56	0.40	4.3
929	943	**AMAX**	–60.5	69 –16⅞	18	24.42	1.36	–5.69	def	0.50	0.20	1.1
930	977	**Tiger International**	–61.2	28¾– 4¼	7⅝	4.15	0.56	–3.79	def	0.11	none	0.0
931	400	**Mission Insurance Group**	–62.5	41 – 7½	7¾	18.09	2.33	–11.25	def	0.18	none	0.0
932	929	**Smith International**	–63.8	70¼–12½	12⅝	23.99	1.90	0.57	22	0.39	0.96	7.6
933	962	**Western Air Lines**	–63.9	11⅞– 2⅝	3¾	2.16	0.58	–2.56	def	0.08	none	0.0
934	939	**Public Service Indiana**	–65.2	27½– 7⅛	8⅛	27.32	3.36	2.07	4	0.48	1.00	12.3
935	916	**Parker Drilling**	–66.8	36¾– 6⅛	6¼	12.12	1.94	–2.18	def	0.82	0.16	2.6
936	365	**Crown Central Petroleum**	–72.8	47⅝–11	12½	30.56	2.44	–1.18	def	0.05	none	0.0
937	831	**Cook United**	–73.6	9¾– 1¼	1⅝	0.88	0.64	–8.42	def	0.02	none	0.0
938	963	**Manville**	–74.1	31⅝– 4¼	6¼	33.05	5.29	1.47	4	0.08	none	0.0
939	956	**Massey-Ferguson**	–74.4	11⅝– 1⅝	2⅝	–4.72	NE	–1.13	def	0.18	none	0.0
940	940	**Consumers Power**	–74.8	21⅞– 4⅝	4¾	26.04	5.48	2.41	2	0.13	none	0.0
941	967	**Wickes Cos**	–75.9	17⅛– 2¼	3	–14.44	NE	0.92	4	0.02	none	0.0
942	762	**NVF**	–77.4	7⅛– 1	1⅛	0.99	0.38	–0.46	def	0.08	none	0.0
943	959	**Allis-Chalmers**	–77.6	37⅛– 6⅛	7¾	16.19	2.09	–5.37	def	0.08	none	0.0
944	906	**Storage Technology**	–81.3	40⅛– 2	3¼	14.70	4.52	–3.52	def	0.13	none	0.0
945	972	**International Harvester**	–82.1	39⅝– 2¾	7	–28.96	NE	–2.73	def	0.11	none	0.0

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
946	966	Pettibone	−82.7%	29¼– 3⅜	3⅜	$ 6.07	1.67	$−8.07	def	0.05	none	0.0%
947	976	AM International	−83.6	24¾– ¾	2¾	−1.56	NE	0.89	3	0.18	none	0.0
948	938	Evans Products	−83.8	24⅛– 3⅛	3¼	10.31	3.17	−5.65	def	0.03	none	0.0
949	*	Geo International	−84.3‡	46½– 5	5¼	10.16	1.94	−0.88	def	0.22	none	0.0
950	944	Oak Industries	−84.5	38½– 2⅞	3	5.27	1.76	−5.87	def	0.12	none	0.0
951	975	Rath Packing	−93.0	8¼– ¼	⅜	1.30	3.47	−3.00	def	0.00	none	0.0
952	894	Tosco	−94.4	45⅛– 1⅛	1¼	−5.62	NE	−10.66	def	0.02	none	0.0
953	428	Charter	−95.3	44¼– 1½	1⅝	28.89	17.78	−44.84	def	0.00	none	0.0
**		Amer Info Technology		76⅞–32	73⅜	83.33	1.14	NA	NA	0.84	$6.00	8.2
**		American President		36⅝–18⅜	33⅝	28.82	0.86	8.35	4	0.45	none	0.0
**		Amer Tel & Tel		21¼–14⅞	18¾	NA	NA	NA	NA	NA	1.20	6.4
**		Bell Atlantic		80¼–65	77½	85.93	1.11	NA	NA	0.93	6.40	8.3
**		BellSouth		34¼–27¼	32¼	107.74	3.34	NA	NA	0.99	2.60	8.1
**		Big Bear		15 – 8¼	9¾	8.17	0.84	1.58	6	0.08	none	0.0
**		Bindley Western Inds		21⅝–13½	21	9.46	0.45	1.28	16	0.12	none	0.0
**		Bowater		25⅛–14⅞	21⅜	13.38	0.63	2.11	10	0.69	0.18	0.8
**		CalFed		30 –11⅜	15⅛	36.42	2.41	NA	NA	0.16	0.32	2.1
**		Centex		25½–17	23¾	20.56	0.87	2.51	9	0.38	none	0.0
**		CIGNA		55⅝–27	38½	66.74	1.73	1.21	32	0.20	2.60	6.8
**		Continental Illinois		4½– ½	⅝	43.14	69.02	−27.57	def	0.01	none	0.0
**		Delchamps		14⅛– 9¾	13¾	8.51	0.62	1.35	10	0.16	0.28	2.0
**		FoxMeyer		28½–20	23¾	11.88	0.50	1.39	17	0.27	none	0.0
**		Glendale Federal S&L		13½– 6¾	8	29.13	3.64	2.36	3	0.14	none	0.0
**		Great Amer First Savings		13½– 8⅛	12¼	26.11	2.13	NA	NA	0.24	0.40	3.3
**		Gulfstream Aerospace		23½–13½	14¼	5.69	0.40	1.67	9	0.78	0.55	3.9
**		Home Federal S&L Cal		25¼–11¾	18⅛	27.34	1.51	2.72	7	0.42	none	0.0
**		Inspiration Resources		14⅞– 4¾	5⅛	17.12	3.34	−2.25	def	0.18	none	0.0
**		Jefferson Smurfit		27 –15	19½	9.86	0.51	2.20	9	0.28	0.40	2.1
**		Keystone Consol Inds		6⅝– 2¾	2⅞	18.50	6.43	−4.06	def	0.03	none	0.0
**		KN Energy		56 –15⅛	30⅛	15.61	0.52	2.19	14	0.57	1.48	4.9
**		Lafarge		12⅞– 8⅜	9⅜	10.17	1.08	−0.10	def	0.38	0.20	2.1
**		Louisiana Land & Explor		34⅞–22¼	31⅛	20.54	0.66	3.10	10	0.65	1.00	3.2
**		Mack Trucks		22⅛–13¼	13¾	16.87	1.23	3.52	4	0.22	none	0.0
**		McLean Industries		15½– 8⅛	11⅝	7.08	0.61	1.13	10	0.49	none	0.0
**		NI Industries		24½–13	16½	6.85	0.42	2.37	7	0.46	none	0.0
**		Norfolk Southern		70⅝–40¼	56½	66.34	1.17	7.55	7	1.01	3.20	5.7
**		NYNEX		74⅞–58⅝	72⅞	83.92	1.15	NA	NA	0.75	6.00	8.2
**		Pabst Brewing		16½– 2⅜	9⅜	5.97	0.64	−0.45	def	0.09	none	0.0
**		Pacific Telesis Group		69½–51¼	65½	70.24	1.07	NA	NA	0.82	5.40	8.2
**		Perini		31 – 8¾	26⅜	30.68	1.16	2.35	11	0.10	0.80	3.0
**		PNC Financial		46¼– 9⅛	44¾	36.70	0.82	6.07	7	0.69	2.32	5.2
**		Price Co		48 – 6⅛	43¼	3.09	0.07	1.27	34	0.85	none	0.0
**		RLC		12¼– 3⅞	7⅞	5.22	0.66	0.83	9	0.38	0.20	2.5
**		Rollins		13½– 3⅜	8⅞	1.40	0.16	0.64	14	0.82	0.46	5.2
**		Santa Fe Southern Pacific		35¼–20¼	24⅞	30.20	1.21	2.49	10	0.72	1.00	4.0
**		Sea-Land		21½–14⅝	18¼	30.11	1.65	NA	NA	0.24	0.48	2.6
**		Southwestern Bell		69¼–55	65⅛	77.22	1.19	NA	NA	0.88	5.60	8.6
**		Sovran Financial		38 – 9	37¼	25.99	0.70	4.36	9	0.69	1.68	4.5
**		Student Loan Marketing		34½–20¾	32	6.14	0.19	1.79	18	1.15	0.16	0.5
**		Temple-Inland		37¾–25⅜	34½	29.12	0.84	NA	NA	0.66	0.50	1.4
**		Time Inc		48⅞–33¾	41¼	13.54	0.33	2.95	14	0.84	0.82	2.0
**		Trans World Airlines		18⅜– 7⅛	9⅝	15.93	1.66	NA	NA	0.09	none	0.0
**		Transworld		33½– 7½	30½	11.41	0.37	2.71	11	0.43	0.40	1.3
**		Tribune		33⅞–24	32¾	19.10	0.58	2.56	13	0.76	0.84	2.6
**		U S West		68 –55⅛	65⅝	75.97	1.16	NA	NA	0.87	5.40	8.2

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. **Not comparable because of change in ownership, size or corporate structure. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

WHO'S WHERE IN PROFITABILITY?

It's difficult to lead this list, but it's even tougher to stay on top. As current performance indicates, many leaders have started to tumble.

THIS TABLE RANKS the 1,000 companies surveyed in this issue on the basis of long-term profitability. But pay attention to more than where a firm falls in the roster. Business today is often much better or much worse than the long-term numbers indicate.

MCI, which leads the pack, is a perfect example. Its long-term profitability is impressive. But the telecommunications carrier missed its average by a wide mark during the most recent 12 months. Read the industry analysis on page 208, and you'll realize MCI's historic return on equity is high in part because of a preferred stock issue that reduced its common equity base.

This isn't a unique situation. A number of firms sport extraordinarily high returns on equity because they have borrowed unusual amounts of money. Jefferson Smurfit has a debt-to-equity ratio of 1.7. This is well above the median for the packaging industry, and the extra leverage increases the risk associated with managing the company.

That's why few companies remain at the top of this list very long. Of the 50 profit leaders in the Forbes 1975 Annual Report on American Industry, only 3 are still in that select group: GEICO, American Home Products and Charter Co. Charter's stay will surely be short. Though profits were spectacular when oil prices were high, it filed for bankruptcy last year.

Understand how hard it is to lead this roster, then, and it is no surprise that only 4 of the top 50 firms here—ServiceMaster, Limited, Dun & Bradstreet and Pioneer—managed to match their long-term profitability in the most recent 12 months. Another 4 actually posted deficits for the current period: Financial Corp. of America, Coleco, Charter and Global Marine. When a company ranks among this elite, it's far more likely that trouble will develop than that things will improve.

That's why the most useful way to read these tables may be from the bottom up. Turn to page 259, which is littered with once-troubled companies. Scan the current performance column, however, and you'll see quite a few impressive numbers. A decade from now these turnaround candidates might rank near the top of this roster. ■

Who's where in profitability

		Return on equity				Return on equity				Return on equity	
Company	rank	5-year average	latest 12 months	Company	rank	5-year average	latest 12 months	Company	rank	5-year average	latest 12 months
MCI Communications	1	125.3%	3.7%	**ServiceMaster Inds**	19	40.8%	49.5%	**Occidental Petroleum**	37	33.2%	13.8%
Apple Computer	2	113.8	17.0	**Humana**	20	38.3	30.8	**Todd Shipyards**	38	33.0	17.7
Lockheed	3	87.1	38.3	**Federal Express**	21	37.7	15.5	**Dow Jones**	39	32.7	30.7
NIKE	4	83.2	10.0	**Limited**	22	37.3	43.2	**Food Lion**	40	32.2	27.6
Price Co	5	65.7	41.4	**Phibro-Salomon**	23	36.7	20.7	**G Heileman Brewing**	41	31.9	21.3
FoxMeyer	6	64.1	11.6	**GEICO**	24	36.3	24.5	**Global Marine**	42	31.6	def
Subaru of America	7	59.8	39.0	**Pulte Home**	25	35.9	17.6	**Dun & Bradstreet**	43	31.6	88.5
Jefferson Smurfit	8	54.1	22.1	**SmithKline Beckman**	26	35.7	24.5	**L B Foster**	44	31.1	5.3
Financial Corp of Amer	9	54.0	def	**Student Loan Marketing**	27	35.7	28.9	**E F Hutton Group**	45	30.8	6.3
Coleco Industries	10	50.0	def	**Wal-Mart Stores**	28	35.6	33.6	**First Executive**	46	30.6	12.8
Tandy	11	49.4	24.6	**James River Corp of Va**	29	35.4	24.7	**Pioneer**	47	30.6	37.7
Comdisco	12	46.7	15.5	**Allied Corp**	30	35.4	2.7	**EG&G**	48	30.3	24.5
Rolm	13	46.5	8.1	**Wang Laboratories**	31	34.5	20.3	**Tesoro Petroleum**	49	30.2	2.7
Big Bear	14	46.3	23.8	**Mitchell Energy & Dev**	32	34.3	13.3	**Toys "R" Us**	50	29.8	22.0
Charter	15	45.2	def	**American Home Products**	33	34.0	32.9	**First Boston**	51	29.7	19.6
Prime Computer	16	44.3	20.5	**Bindley Western Ind**	34	33.8	13.3	**Deluxe Check Printers**	52	29.2	29.7
Standard Oil Ohio	17	42.4	18.8	**Schlumberger Limited**	35	33.6	19.4	**MEI**	53	28.9	25.4
Bergen Brunswig	18	41.1	14.7	**Texas Oil & Gas**	36	33.4	29.0	**General Cinema**	54	28.9	87.8

def: Deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

Company	rank	Return on equity	
		5-year average	latest 12 months
Natl Convenience Stores	55	28.9%	24.1%
Allied Bancshares	56	28.7	23.9
Marsh & McLennan Cos	57	28.6	15.4
Emery Air Freight	58	28.4	26.2
SCOA Industries	59	28.2	20.5
VF	60	28.0	30.9
Worthington Industries	61	27.7	21.9
Kellogg	62	27.7	25.4
Tyco Laboratories	63	27.6	20.3
SEDCO	64	27.6	23.0
Allegheny Beverage	65	27.1	17.5
Super Valu Stores	66	27.0	26.9
Church's Fried Chicken	67	26.2	14.2
Melville	68	26.1	22.1
Wendy's International	69	26.1	21.4
Savannah Foods & Inds	70	26.0	20.2
ConAgra	71	26.0	17.8
Shaklee	72	26.0	8.7
Piedmont Aviation	73	25.8	19.3
Teledyne	74	25.8	12.0
Pennzoil	75	25.7	17.8
Litton Industries	76	25.5	17.4
Turner Construction	77	25.2	24.2
Kelly Services	78	25.1	28.3
American Stores	79	25.0	26.1
Dover	80	25.0	19.9
PHH Group	81	24.7	18.6
Fairchild Industries	82	24.6	8.9
R J Reynolds Industries	82	24.6	19.0
Abbott Laboratories	84	24.6	27.2
AMP	85	24.4	25.9
Computer Sciences	85	24.4	12.3
Freeport-McMoran	87	24.4	12.5
Nucor	87	24.4	14.9
Fort Howard Paper	89	24.3	17.4
Maytag	90	24.3	28.3
Chicago & North Western	91	24.3	14.2
Hilton Hotels	92	24.3	14.7
Guardian Industries	93	24.2	18.7
Nalco Chemical	94	24.2	21.7
Alexander & Alexander	95	24.2	def
Avon Products	96	24.1	14.1
Levi Strauss	97	24.1	8.7
Mission Insurance Group	98	24.0	def
Philip Morris	99	23.9	24.7
Western Co of North Am	99	23.9	def
Kaneb Services	101	23.8	def
Amer Medical Intl	102	23.8	28.3
Rite Aid	102	23.8	24.2
Waste Management	104	23.7	17.2
Fremont General	105	23.7	def
Pioneer Hi-Bred Intl	106	23.6	19.6
IBM	107	23.6	27.0
Republic New York	108	23.6	15.4
Advanced Micro Devices	109	23.6	47.1
Trinity Industries	109	23.6	def
Trust Co of Georgia	111	23.5	26.1
Houston Natural Gas	112	23.5	11.8
Albertson's	113	23.5	19.6
Ames Department Stores	113	23.5	23.8
Dean Foods	115	23.5	23.3
Brown-Forman	116	23.4	14.4
Entex	117	23.4	21.3
Bristol-Myers	118	23.3%	24.2%
USAir Group	118	23.3	20.1
United Energy Resources	120	23.2	7.2
Raytheon	121	23.2	12.0
Resorts International	122	22.9	5.9
Beverly Enterprises	123	22.9	11.5
Lear Siegler	124	22.9	17.0
McDonald's	124	22.9	21.5
Bruno's	126	22.9	26.0
Merck	127	22.8	19.8
Washington Post	128	22.7	25.1
McGraw-Hill	129	22.7	22.8
Capital Cities Commun	130	22.7	21.1
Big V Supermarkets	131	22.6	5.5
Natl Medical Enterprises	131	22.6	18.0
Tosco	133	22.4	NE
Coca-Cola	134	22.4	21.3
Rorer Group	135	22.4	19.9
Snap-On Tools	135	22.4	22.3
Lucky Stores	137	22.3	16.8
Eli Lilly	138	22.2	23.0
American Brands	139	22.2	19.4
Atlantic Richfield	140	22.2	6.5
Geo International	141	22.2	def
Boeing	142	22.2	25.0
Petrie Stores	143	22.1	16.7
Gannett	144	22.0	20.6
Valero Energy	145	22.0	def
Amer International Grp	146	21.9	14.6
Murphy Oil	146	21.9	10.0
Anixter Bros	148	21.9	8.2
Cullum Companies	149	21.9	15.8
Sanders Associates	150	21.9	15.4
Chesebrough-Pond's	151	21.8	17.4
Emerson Electric	152	21.8	20.5
Pay Less Drug Stores NW	153	21.8	20.8
Texas Commerce Bancshrs	154	21.6	17.9
Browning-Ferris Inds	155	21.6	22.3
Supermarkets General	155	21.6	17.1
Hospital Corp of Amer	157	21.6	18.2
Midlantic Banks	158	21.6	18.0
Amerada Hess	159	21.5	9.2
Cabot	160	21.5	14.4
General Re	161	21.5	9.8
Loews	162	21.4	19.2
Revco D S	163	21.4	22.5
Intl Flavors & Frag	164	21.4	19.9
Marriott	165	21.3	20.5
Sundstrand	166	21.3	11.9
United States Shoe	167	21.3	16.0
Martin Marietta	168	21.3	def
Merrill Lynch	169	21.3	1.3
Service Merchandise	170	21.2	17.6
Minn Mining & Mfg	171	21.2	19.7
Winn-Dixie Stores	172	21.2	19.5
Walgreen	173	21.1	24.3
IU International	174	21.1	5.3
Foster Wheeler	175	21.1	9.1
American Express	176	21.1	10.3
Old Republic Intl	177	21.0	19.6
Blount	178	21.0	23.5
Cooper Tire & Rubber	179	21.0	16.3
Cameron Iron Works	180	21.0	def
Payless Cashways	181	20.9%	16.2%
Bally Manufacturing	182	20.9	0.4
Roadway Services	183	20.9	18.6
Square D	184	20.9	20.9
Gap Stores	185	20.9	15.7
G D Searle	186	20.8	20.7
Cooper Industries	187	20.8	7.9
Pitney Bowes	188	20.8	23.7
Anheuser-Busch Cos	189	20.8	20.4
Weis Markets	189	20.8	19.2
Storage Technology	191	20.8	def
Sysco	192	20.7	17.6
Intel	193	20.7	19.8
Warnaco	194	20.7	16.0
Transco Energy	195	20.6	16.4
Wyman-Gordon	195	20.6	13.3
Auto Data Processing	197	20.6	17.1
Equifax	198	20.5	21.9
Giant Food	199	20.5	22.0
Combined International	200	20.5	19.7
Morton Thiokol	200	20.5	19.4
Whittaker	202	20.4	15.0
Lubrizol	203	20.4	14.2
Masco	204	20.4	17.0
Purolator Courier	205	20.4	10.0
R H Macy	206	20.4	20.0
Genuine Parts	207	20.4	18.3
General Electric	208	20.4	19.6
Bowater	209	20.3	16.8
MCorp	210	20.3	15.4
Ametek	211	20.3	23.8
Ashland Oil	211	20.3	def
Reading & Bates	213	20.2	1.1
Hannaford Bros	214	20.2	17.0
Baker International	215	20.2	6.8
Cox Communications	216	20.1	16.9
Hewlett-Packard	217	20.1	23.0
E-Systems	218	20.1	24.8
Exxon	219	20.1	19.4
Banc One	220	20.1	19.4
Parker Drilling	221	20.0	def
Johnson & Johnson	222	19.9	15.6
Natl Service Industries	223	19.9	18.4
Hershey Foods	224	19.9	17.5
Louisiana Land & Explor	224	19.9	15.0
Flowers Industries	226	19.9	18.7
Procter & Gamble	227	19.8	17.4
New York Times	228	19.8	22.8
Ryder System	229	19.8	20.6
BRAE	230	19.7	8.8
General Dynamics	231	19.7	28.1
M/A-Com	231	19.7	9.8
Warner Communications	233	19.7	def
Paine Webber Group	234	19.6	3.8
Engelhard	235	19.6	10.7
Standard Oil Indiana	236	19.6	17.5
Interpublic Group	237	19.6	20.6
SONAT	238	19.6	16.3
H J Heinz	239	19.5	22.0
Consol Freightways	240	19.4	13.1
Upjohn	241	19.4	16.4
Alco Standard	242	19.4	15.5
MAPCO	243	19.3	12.2

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

Company	rank	Return on equity	
		5-year average	latest 12 months
State Street Boston	244	19.3%	19.6%
CBI Industries	245	19.3	9.3
Unocal	246	19.3	14.0
Arkla	247	19.2	12.1
Times Mirror	247	19.2	20.6
Vulcan Materials	249	19.2	17.2
Fluor	250	19.2	def
Longs Drug Stores	251	19.1	16.9
General Mills	252	19.1	17.5
Std Commercial Tobacco	252	19.1	14.7
CNA Financial	254	19.1	11.5
Nabisco Brands	255	19.1	17.7
Universal Leaf Tobacco	256	19.0	19.3
H H Robertson	257	19.0	8.5
Pacific Resources	258	19.0	def
Fleming Cos	259	19.0	17.8
Shell Oil	260	18.9	15.3
PepsiCo	261	18.9	11.2
Gillette	262	18.9	20.9
Panhandle Eastern	262	18.9	10.5
General Instrument	264	18.8	5.3
Fleet Financial Group	265	18.7	18.5
Centex	266	18.7	12.2
Pfizer	267	18.7	22.8
Baxter Travenol Labs	268	18.7	15.7
Rockwell International	269	18.7	21.2
Consolidated Papers	270	18.6	20.0
Ohio Casualty	271	18.6	5.6
Clorox	272	18.5	21.7
Gelco	273	18.5	6.4
Meredith	273	18.5	18.0
Amer Broadcasting Cos	275	18.5	15.8
Farmers Group	276	18.5	16.9
TRW	277	18.4	16.3
Bankers Trust New York	278	18.4	17.1
Nordstrom	279	18.4	16.2
American Standard	280	18.4	14.0
Harvey Hubbell	280	18.4	17.4
Barnett Banks of Fla	282	18.4	20.2
Southwestern Public Svc	282	18 4	21.8
Chevron	284	18.4	10.7
Phillips Petroleum	285	18.3	14.4
Halliburton	286	18.3	9.6
Curtice-Burns	287	18.3	20.1
Stop & Shop Cos	288	18.3	19.3
Briggs & Stratton	289	18.2	15.3
Dayton-Hudson	290	18.2	16.4
Jerrico	291	18.2	12.2
United Telecom	292	18.2	14.0
ENSERCH	293	18.2	6.5
Sun Company	293	18.2	8.9
Kimberly-Clark	295	18.1	14.3
Tidewater	295	18.1	def
Bank of New England	297	18.1	15.4
Palm Beach	298	18.1	16.1
Amer Hospital Supply	299	18.0	16.5
Iowa-Illinois Gas & El	299	18.0	15.4
Perkin-Elmer	301	18.0	13.9
First Union	302	18.0	19.0
Carnation	303	18.0	18.0
RepublicBank	304	17.9	11.6
Rohr Industries	304	17.9	26.0
Avnet	306	17.9	15.6
Centel	306	17.9%	16.6%
General Host	306	17.9	9.7
Northwest Industries	309	17.9	def
CPC International	310	17.8	10.5
W W Grainger	310	17.8	16.0
United Technologies	312	17.8	17.4
Schering-Plough	313	17.8	13.7
Ruddick	314	17.8	17.5
Zapata	314	17.8	6.0
Smithfield Foods	316	17.8	5.6
Denny's	317	17.7	15.2
Edison Brothers Stores	317	17.7	16.1
Security Pacific	319	17.7	15.8
Media General	320	17.6	15.7
Brown Group	321	17.6	17.1
Pillsbury	321	17.6	17.4
Raychem	321	17.6	10.9
Amer Natural Resources	324	17.5	17.8
Hanover Insurance Cos	324	17.5	6.6
Mobil	326	17.5	10.3
Digital Equipment	327	17.5	12.2
Whirlpool	327	17.5	19.3
American General	329	17.5	15.5
Illinois Tool Works	329	17.5	16.5
Leaseway Transportation	329	17.5	12.2
Eastman Kodak	332	17.4	11.1
Brunswick	333	17.4	24.0
Harris Corp	333	17.4	12.0
Southland	335	17.4	14.8
MGM Grand Hotels	336	17.3	NE
First Atlanta	337	17.3	19.6
Texas Eastern	338	17.3	11.9
Jack Eckerd	339	17.3	15.0
Frontier Holdings	340	17.2	def
Consolidated Foods	341	17.2	20.3
Dexter	342	17.1	15.1
InterNorth	343	17.1	16.2
McCormick	343	17.1	28.7
Oneok	345	17.1	12.4
Sonoco Products	346	17.1	17.4
Big Three Industries	347	17.0	8.4
Wachovia	347	17.0	19.3
Swift Independent	349	17.0	12.2
Air Products & Chems	350	17.0	13.4
Handy & Harman	351	16.9	10.6
Southern Union	351	16.9	7.8
Moore Corp	353	16.9	13.1
NCNB	354	16.9	18.4
USF&G	355	16.9	11.2
United Illuminating	356	16.8	26.3
Fischbach	357	16.8	7.6
Dynalectron	358	16.8	9.6
General Foods	358	16.8	17.4
Public Service Indiana	358	16.8	7.6
United Virginia Bankshrs	358	16.8	16.9
Culbro	362	16.7	10.4
Tyler	363	16.7	20.4
Datapoint	364	16.7	8.0
Knight-Ridder Newspapers	365	16.7	16.7
American Greetings	366	16.7	17.9
Ralston Purina	366	16.7	22.0
Tenneco	366	16.7	11.8
Tektronix	369	16.7	17.1
Holly Corp	370	16.7%	41.3%
Bausch & Lomb	371	16.7	15.0
Circle K	371	16.7	32.2
First City Bancorp	373	16.6	5.2
Morrison-Knudsen	374	16.6	13.0
Combustion Engineering	375	16.6	def
Universal Foods	376	16.6	10.2
Revlon	377	16.6	11.9
Valley National	377	16.6	12.6
Zurn Industries	377	16.6	9.5
Emhart	380	16.5	18.4
J P Morgan	381	16.5	15.8
PNC Financial	381	16.5	17.3
Scott & Fetzer	383	16.5	18.8
Kemper	384	16.5	3.5
Ball Corp	385	16.5	17.1
Sterling Drug	386	16.4	15.5
Tecumseh Products	387	16.4	18.0
Archer Daniels Midland	388	16.3	7.3
First Interstate Bancorp	388	16.3	13.5
R R Donnelley & Sons	390	16.3	18.1
Figgie Intl Holdings	391	16.3	11.0
Hughes Tool	392	16.3	def
Witco Chemical	393	16.3	18.6
American Petrofina	394	16.3	8.8
Dibrell Brothers	395	16.2	32.5
Gerber Products	396	16.2	16.2
Federal-Mogul	397	16.2	15.6
Norstar Bancorp	397	16.2	17.1
Saga	397	16.2	23.5
Thrifty Corp	397	16.2	20.5
Mercantile Stores	401	16.1	16.2
Texas Utilities	401	16.1	16.6
MCA	403	16.1	8.8
Kroger	404	16.1	13.3
Crown Central Petroleum	405	16.0	def
Citizens & Southern Ga	406	16.0	18.0
CBT	407	16.0	14.1
Dillard Dept Stores	408	16.0	21.0
Lowe's Companies	409	16.0	19.6
Avery International	410	15.9	18.7
Oxford Industries	410	15.9	19.2
Texas American Bancshrs	412	15.9	12.0
Brooklyn Union Gas	413	15.9	15.6
Fuqua Industries	414	15.9	27.6
Diversified Energies	415	15.8	22.1
Idle Wild Foods	416	15.8	7.3
McKesson	416	15.8	12.6
Westinghouse Electric	418	15.8	15.0
Sovran Financial	419	15.8	17.2
Parker-Hannifin	420	15.8	16.6
Seaway Food Town	421	15.8	4.5
Motorola	422	15.7	20.3
Alltel	423	15.7	14.9
Chubb	424	15.7	6.9
General Signal	424	15.7	12.6
Sun Chemical	424	15.7	7.0
New England Elec System	427	15.7	18.2
U S Bancorp	427	15.7	11.6
A E Staley Mfg	429	15.7	5.4
Citicorp	430	15.7	15.2
Johnson Controls	430	15.7	16.6
Mercantile Bancorp	430	15.7	13.3

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

		Return on equity	
Company	rank	5-year average	latest 12 months
McLean Industries	433	15.6%	16.7%
Continental Telecom	434	15.6	15.0
May Department Stores	434	15.6	17.6
Insilco	436	15.6	12.9
Union Camp	437	15.6	15.3
Cincinnati Milacron	438	15.5	5.0
Xerox	439	15.5	6.9
A H Robins	440	15.5	9.7
Southeast Banking	441	15.5	12.3
Central & South West	442	15.5	15.8
Northrop	443	15.5	26.2
Dennison Manufacturing	444	15.4	16.2
W R Grace	445	15.4	8.9
Coastal Corp	446	15.4	18.7
Bank of Boston	447	15.4	12.0
So California Edison	447	15.4	17.1
Waldbaum	449	15.3	11.4
Stanadyne	450	15.3	21.6
CBS	451	15.3	16.5
Quaker Oats	452	15.3	19.5
Illinois Power	453	15.2	17.9
Texaco	454	15.2	7.6
First Natl State Bancorp	455	15.2	27.6
Kansas Power & Light	456	15.2	19.2
Wisconsin Power & Light	457	15.2	15.0
Holiday Inns	458	15.1	12.5
PACCAR	458	15.1	18.0
Carpenter Technology	460	15.1	11.5
Pacific Lighting	461	15.1	10.0
Chemical New York	462	15.1	14.5
TECO Energy	463	15.1	17.1
Transamerica	464	15.1	7.6
BayBanks	465	15.1	13.5
Heck's	465	15.1	3.4
Intl Minerals & Chem	465	15.1	8.8
NCR	468	15.1	16.3
St Paul Cos	468	15.1	def
Gates Learjet	470	15.0	7.0
Bank of New York	471	15.0	16.8
Donaldson, Lufkin	471	15.0	14.3
Alexander & Baldwin	473	15.0	16.4
Commercial Metals	474	15.0	8.4
Zayre	475	15.0	18.7
Montana Power	476	15.0	9.1
KN Energy	477	15.0	14.0
Wm Wrigley Jr	477	15.0	16.7
North American Coal	479	15.0	23.1
Irving Bank	480	15.0	12.5
Dart & Kraft	481	14.9	15.4
Campbell Soup	482	14.9	16.6
Commonwealth Energy	483	14.9	21.3
Long Island Lighting	484	14.9	16.7
Beatrice	485	14.8	22.2
Golden West Financial	485	14.8	33.2
American Family	487	14.8	15.9
CoreStates Financial	487	14.8	18.1
Sun Banks	487	14.8	12.7
Arizona Public Service	490	14.8	14.9
GTE	490	14.8	16.2
IPALCO Enterprises	490	14.8	15.7
Provident Life & Acc	490	14.8	14.5
Questar	494	14.8	16.2
Best Products	495	14.8	8.2

		Return on equity	
Company	rank	5-year average	latest 12 months
Northern States Power	496	14.7%	17.3%
Marsh Supermarkets	497	14.7	5.2
Kaman	498	14.7	18.4
Intl Multifoods	499	14.7	10.9
NL Industries	499	14.7	0.9
Newmont Mining	501	14.7	2.6
Rohm & Haas	501	14.7	19.4
Stanley Works	503	14.7	16.3
E I Du Pont de Nemours	504	14.7	13.0
National Semiconductor	505	14.6	16.2
PacifiCorp	505	14.6	18.6
Rose's Stores	505	14.6	18.9
Pay'n Save	508	14.6	10.5
Safeco	509	14.6	13.0
Manufacturers Hanover	510	14.6	12.0
Ethyl	511	14.6	14.6
Iowa Resources	512	14.5	14.5
NY State Electric & Gas	512	14.5	16.4
Peoples Energy	512	14.5	19.3
First Security	515	14.5	2.6
George A Hormel	516	14.5	11.2
Federated Dept Stores	517	14.5	12.9
Blue Bell	518	14.5	10.8
Munford	518	14.5	15.4
PSA	520	14.5	def
Huntington Bancshares	521	14.4	15.4
Business Men's Assur	522	14.4	12.0
First Bank System	523	14.4	11.7
Duke Power	524	14.4	15.0
San Diego Gas & Elec	524	14.4	17.3
Tyson Foods	524	14.4	27.2
LTV	527	14.4	def
Wisconsin Public Service	527	14.4	17.0
Consol Natural Gas	529	14.4	16.2
Aetna Life & Casualty	530	14.4	4.8
Chase Manhattan	530	14.4	10.8
PPG Industries	532	14.4	16.5
Kansas City Power & Lt	533	14.3	19.2
Honeywell	534	14.3	12.9
Cleveland Electric	535	14.3	17.6
Ogden	536	14.3	11.6
Wells Fargo	537	14.3	12.5
Colgate-Palmolive	538	14.3	14.5
Data General	539	14.2	17.0
Gordon Jewelry	539	14.2	11.8
Hercules	539	14.2	15.8
Allegheny Power System	542	14.2	15.4
USLIFE	543	14.2	9.8
Gulf States Utilities	544	14.2	14.0
Kidde	544	14.2	12.5
Nash Finch	544	14.2	12.8
Travelers	547	14.2	10.9
U S Home	548	14.1	def
Liquid Air	549	14.1	9.7
Columbia Gas System	550	14.1	12.5
Quaker State Oil	551	14.1	10.8
Wisconsin Elec Power	552	14.1	17.5
Capital Holding	553	14.1	13.7
Norfolk Southern	553	14.1	11.4
Borg-Warner	555	14.1	14.0
Smith International	556	14.0	2.3
Norton	557	14.0	9.8
Portland General Elec	557	14.0	19.2

		Return on equity	
Company	rank	5-year average	latest 12 months
Squibb	557	14.0%	15.5%
Ex-Cell-O	560	14.0	11.8
Maryland National	560	14.0	13.4
Rainier Bancorporation	562	14.0	15.1
Alcan Aluminium	563	14.0	10.0
Seagram	563	14.0	13.9
Stone Container	565	14.0	7.4
Central Hudson Gas & El	566	13.9	16.7
Farm House Food	567	13.9	7.7
K mart	567	13.9	18.5
Niagara Mohawk Power	567	13.9	16.8
Mellon Bank	570	13.9	11.5
Harcourt Brace	571	13.9	18.1
Earle M Jorgensen	572	13.9	6.5
Dow Chemical	573	13.9	10.8
InterFirst	574	13.8	10.3
CFS Continental	575	13.8	16.3
Greyhound	576	13.8	8.9
Houston Industries	577	13.8	15.9
Middle South Utilities	577	13.8	16.0
Cincinnati Gas & Elec	579	13.8	12.4
National Can	580	13.7	12.0
Parker Pen	580	13.7	7.5
Dayton Power & Light	582	13.7	11.5
Safeway Stores	583	13.7	13.2
MidCon	584	13.7	13.6
Union Electric	585	13.6	25.9
North American Philips	586	13.6	14.7
Kay	587	13.5	7.2
United States Gypsum	588	13.5	23.6
Orange & Rockland Utils	589	13.5	14.6
Great Northern Nekoosa	590	13.4	14.2
Central Illinois Pub Svc	591	13.4	12.8
Hoover Universal	591	13.4	18.0
Wetterau	593	13.4	15.4
McDonnell Douglas	594	13.4	15.3
BankAmerica	595	13.4	6.4
Pacific Gas & Electric	596	13.3	15.0
Norwest	597	13.3	5.1
First Wisconsin	598	13.3	10.6
Joy Manufacturing	598	13.3	6.5
NICOR	598	13.3	7.1
Kerr-McGee	601	13.3	6.8
Caesars World	602	13.3	13.6
Commonwealth Edison	603	13.3	15.7
Consolidated Edison	604	13.3	15.5
Harsco	605	13.3	10.0
H J Wilson	606	13.2	4.8
Laclede Gas	607	13.2	20.1
Federal Paper Board	608	13.2	20.8
Rochester Gas & Elec	608	13.2	16.3
Torchmark	610	13.2	15.7
Toledo Edison	611	13.2	15.5
Union Pacific	612	13.2	7.7
Baltimore Gas & Elec	613	13.1	17.0
Southern Company	613	13.1	18.0
Interco	615	13.1	10.6
FMC	616	13.1	15.6
ITT	617	13.1	9.1
Pennsylvania Power & Lt	617	13.1	13.2
Dresser Industries	619	13.1	4.0
Univar	619	13.1	17.3
Amsted Industries	621	13.1	6.8

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

Company	rank	Return on equity 5-year average	Return on equity latest 12 months
Life Investors	621	13.1%	11.9%
So New England Tel	621	13.1	14.4
Federal Co	624	13.1	20.8
Florida Power & Light	624	13.1	12.7
Echlin	626	13.0	18.9
Grumman	627	13.0	23.7
Central Illinois Light	628	13.0	13.1
Eastern Gas & Fuel	629	13.0	13.3
Ohio Edison	629	13.0	17.0
Amer District Telegraph	631	13.0	6.3
Potomac Electric Power	632	13.0	17.0
International Paper	633	13.0	7.1
Oklahoma Gas & Electric	634	12.9	14.5
Borden	635	12.9	13.8
Becton, Dickinson	636	12.9	10.6
Carolina Power & Light	637	12.9	14.7
Levitz Furniture	638	12.9	21.0
National City	638	12.9	14.0
Delmarva Power & Light	640	12.8	16.0
Westvaco	641	12.8	15.8
Ryan Homes	642	12.8	10.6
Fidelcor	643	12.8	15.6
Northeast Utilities	644	12.7	20.3
So Carolina Elec & Gas	644	12.7	16.7
Allied Stores	646	12.7	13.4
Signal Cos	647	12.6	10.4
Perini	648	12.6	7.8
Atlantic City Electric	649	12.6	14.0
Burlington Northern	649	12.6	14.0
Puget Sound Power & Lt	651	12.6	9.4
City Investing	652	12.5	3.8
Super Food Services	652	12.5	15.8
Hartmarx	654	12.5	15.2
Monfort of Colorado	654	12.5	23.4
Philadelphia Electric	654	12.5	14.9
Collins & Aikman	657	12.4	24.5
West Point-Pepperell	657	12.4	13.1
U S West	659	12.4	10.9
J C Penney	660	12.4	13.5
Utah Power & Light	661	12.4	12.2
Society	662	12.3	14.7
Jefferson-Pilot	663	12.3	12.2
Florida Progress	664	12.3	14.0
Pennwalt	664	12.3	12.2
Ceco Industries	666	12.3	8.1
National Fuel Gas	667	12.2	18.0
Penn Traffic	668	12.2	9.7
White Consolidated Inds	669	12.2	9.2
City Federal S & L	670	12.2	39.3
Crown Cork & Seal	671	12.2	10.7
Rykoff-Sexton	671	12.2	14.0
Bell Atlantic	673	12.2	11.1
Stauffer Chemical	673	12.2	1.8
Morse Shoe	675	12.1	10.3
Boston Edison	676	12.1	14.1
Textron	676	12.1	9.5
Dana	678	12.1	16.0
Allegheny International	679	12.1	8.0
Transway International	680	12.1	13.2
Shawmut	681	12.0	13.8
Consumers Power	682	12.0	9.3
Central Steel & Wire	683	12.0	13.1
Economics Laboratory	683	12.0	17.6
Continental Illinois	685	11.9%	def
Tribune	686	11.9	13.1%
Easco	687	11.9	def
Public Service E&G	687	11.9	15.3
Ferro	689	11.8	10.6
Sherwin-Williams	690	11.8	17.1
Thorn Apple Valley	691	11.8	3.0
Amer National Insurance	692	11.8	10.0
Lincoln National	693	11.8	11.8
American Electric Power	694	11.8	14.2
Alcoa	695	11.7	11.5
Public Service Colorado	696	11.7	14.2
Louisville Gas & Elec	697	11.7	14.7
American Cyanamid	698	11.7	13.7
NBD Bancorp	699	11.7	11.0
Corning Glass Works	700	11.6	5.6
Duquesne Light	700	11.6	14.5
Associated Dry Goods	702	11.6	13.7
MGM/UA Entertainment	703	11.6	9.4
Moore McCormack Res	704	11.6	4.1
Comerica	705	11.5	12.4
Centerre Bancorporation	706	11.5	7.1
Detroit Edison	706	11.5	13.5
Kentucky Utilities	708	11.5	14.1
Santa Fe Southern	709	11.5	8.2
Household International	710	11.4	14.6
Hammermill Paper	711	11.4	13.5
Smart & Final Iris	712	11.4	17.5
Colonial Penn Group	713	11.3	14.7
Strawbridge & Clothier	714	11.3	14.0
Yellow Freight System	715	11.3	17.7
Diamond Shamrock	716	11.3	1.5
Foxboro	717	11.2	1.9
Colt Industries	718	11.2	28.0
Sperry	718	11.2	10.0
Gould	720	11.1	9.1
Pacific Telesis Group	720	11.1	11.6
DWG	722	11.1	1.9
California First Bank	723	11.1	8.3
Godfrey	723	11.1	7.8
CSX	725	11.1	10.8
UGI	725	11.1	7.7
Washington Gas Light	725	11.1	15.0
ARA Services	728	11.0	11.7
DeSoto	728	11.0	15.2
McGraw-Edison	730	10.9	8.9
Weyerhaeuser	731	10.9	8.5
Monsanto	732	10.9	12.7
Walt Disney Productions	733	10.9	1.5
Washington National	733	10.9	6.5
National Gypsum	735	10.9	19.1
Control Data	736	10.9	2.7
Avco	737	10.9	10.0
Scott Paper	738	10.8	11.5
RCA	739	10.8	10.5
Dorsey	740	10.7	10.1
Natl Distillers & Chem	741	10.6	7.2
Crocker National	742	10.6	def
Union Carbide	743	10.6	4.0
Carson Pirie Scott	744	10.6	5.6
Texas Instruments	745	10.6	27.4
Gulf & Western Inds	746	10.6	13.7
AmeriTrust	747	10.5	10.5
Dominion Resources	748	10.5%	12.8%
Fieldcrest Mills	749	10.5	6.6
Marine Midland Banks	749	10.5	10.2
WICOR	751	10.5	20.2
Scovill	752	10.5	13.8
Fleetwood Enterprises	753	10.4	31.8
Arrow Electronics	754	10.4	20.4
DEKALB AgResearch	755	10.4	8.2
Zale	756	10.4	8.4
Magic Chef	757	10.3	24.3
Riegel Textile	758	10.3	10.8
Carter Hawley Hale	759	10.3	14.2
Cluett, Peabody	760	10.2	13.2
Hawaiian Electric Inds	761	10.2	12.8
Sears, Roebuck	761	10.2	14.4
Manufacturers National	763	10.1	12.2
Warner-Lambert	764	10.1	15.6
Cessna Aircraft	765	10.1	0.3
Amdahl	766	10.0	9.7
Celanese	767	9.9	16.4
Willamette Industries	768	9.9	12.1
Northern Trust	769	9.9	5.4
Arden Group	770	9.8	11.4
Eagle-Picher Industries	771	9.8	12.0
SCM	771	9.8	9.3
Berkshire Hathaway	773	9.8	7.0
Anderson, Clayton	774	9.7	4.7
Phillips-Van Heusen	774	9.7	13.5
Goodyear Tire & Rubber	776	9.7	13.7
Atlanta Gas Light	777	9.7	16.3
Williams Cos	778	9.7	14.3
ASARCO	779	9.7	def
St Regis	780	9.7	8.8
First Chicago	781	9.6	3.3
Mead	782	9.5	15.6
Lone Star Industries	783	9.5	6.8
Springs Industries	783	9.5	9.9
Central Soya	785	9.5	7.1
Black & Decker Mfg	786	9.5	17.2
Bemis	787	9.5	9.8
First Natl Supermarkets	787	9.5	def
Champion Spark Plug	789	9.3	9.6
Owens-Corning Fiberglas	790	9.3	14.8
Varian Associates	791	9.3	16.5
Richardson-Vicks	792	9.2	15.7
Robertshaw Controls	793	9.2	19.8
Equitable of Iowa Cos	794	9.2	4.9
Georgia-Pacific	794	9.2	11.1
McDermott International	796	9.2	3.1
Roper Corp	796	9.2	20.1
Penn Central	798	9.1	1.9
Adolph Coors	799	9.1	5.9
Pueblo International	799	9.1	10.5
Stewart & Stevenson	801	9.1	def
Athlone Industries	802	9.0	7.0
Owens-Illinois	803	9.0	12.4
No Indiana Public Svc	804	9.0	11.8
Potlatch	805	8.9	7.4
Northwestern Natl Life	806	8.9	9.7
Gifford-Hill	807	8.9	7.4
Unidynamics	807	8.9	12.3
Deere	809	8.8	5.7
Barnes Group	810	8.8	19.4

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

		Return on equity	
Company	rank	5-year average	latest 12 months
Temple-Inland	811	8.8%	12.8%
Research-Cottrell	812	8.8	2.2
Jim Walter	813	8.7	13.4
Pacific Gamble Robinson	814	8.7	2.4
Ampco-Pittsburgh	815	8.6	1.8
Armstrong World Inds	816	8.6	14.2
Continental Corp	816	8.6	0.9
Olin	818	8.6	10.4
Butler Manufacturing	819	8.5	def
Shopwell	820	8.5	0.9
Timken	821	8.5	6.5
Storer Communications	822	8.4	def
Boise Cascade	823	8.4	7.5
Midland-Ross	823	8.4	6.3
Rexnord	825	8.4	7.3
Champion International	826	8.3	7.4
American Maize-Products	827	8.3	9.2
Arvin Industries	827	8.3	15.7
Di Giorgio	827	8.3	2.9
G C Murphy	827	8.3	12.2
Rollins	827	8.3	25.3
Longview Fibre	832	8.2	14.3
Stewart-Warner	832	8.2	6.1
Outboard Marine	834	8.2	15.2
Burroughs	835	8.2	10.4
Kaiser Aluminum	835	8.2	1.2
Michigan National	837	8.1	def
Ingersoll-Rand	838	8.1	def
Hoover	839	8.0	18.8
General Motors	840	8.0	24.0
IC Industries	841	7.9	11.0
Interlake	842	7.9	11.8
Delta Air Lines	843	7.8	23.2
Caterpillar Tractor	844	7.7	def
Ideal Basic Industries	844	7.7	def
Coachmen Industries	846	7.7	23.6
Amfac	847	7.6	def
Burlington Industries	848	7.5	5.2
Copperweld	849	7.4	5.1
Manhattan Industries	850	7.3	16.1
AMF	851	7.2	1.5
M Lowenstein	852	7.1	16.4
Fisher Foods	853	7.1	def
Skyline	854	7.1	6.6
Dayco	855	7.0	12.2
Sheller-Globe	856	7.0	17.9
Anchor Hocking	857	6.9	4.1
Reichhold Chemicals	857	6.9	12.3
Libbey-Owens-Ford	859	6.8	16.7
Cummins Engine	860	6.8	35.7
Louisiana-Pacific	861	6.8	6.5
Armstrong Rubber	862	6.7	13.6
Allen Group	863	6.7	11.8
Brockway Inc (NY)	864	6.5	def
Eaton	865	6.5	23.5
GenCorp	865	6.5	6.5
Zenith Electronics	867	6.3	17.6
Kellwood	868	6.2	15.7
Savin	869	6.1	def
GATX	870	6.1	def
Reynolds Metals	871	6.0	9.0
Arkansas Best	872	5.9	17.3
Koppers	873	5.8	5.6
Primark	874	5.7	16.2
Avondale Mills	875	5.5%	13.4%
Northwest Steel & Wire	876	5.3	def
Bell & Howell	877	5.0	22.6
Fruehauf	878	4.9	17.0
Nashua	879	4.9	17.2
Polaroid	880	4.9	4.4
Crown Zellerbach	881	4.8	8.6
Beneficial Corp	882	4.7	11.7
H F Ahmanson	883	4.7	6.6
Macmillan	884	4.7	19.4
Del E Webb	885	4.5	12.0
B F Goodrich	886	4.5	6.3
American Can	887	4.4	8.9
Cyclops	888	4.2	8.8
F W Woolworth	889	4.0	12.2
CIGNA	890	4.0	2.0
Sybron	890	4.0	def
Dravo	892	3.9	def
Northwest Airlines	893	3.6	11.5
J P Stevens	894	3.6	3.9
Kaufman & Broad	895	3.5	11.1
Great Western Financial	896	3.5	10.4
General Public Utils	897	3.4	7.3
AMAX	898	3.4	def
Great Amer First Savings	899	3.3	6.7
Western Union	900	3.3	def
Lafarge	901	3.1	def
A O Smith	902	3.1	8.8
Firestone Tire & Rubber	903	2.9	8.1
AMR	904	2.9	23.7
Bucyrus-Erie	905	2.8	def
RLC	906	2.8	16.3
Mohasco	907	2.7	8.0
Pittston	908	2.6	def
Manville	909	2.6	4.4
Peabody International	910	2.4	def
Phelps Dodge	911	2.4	def
Crane	912	2.4	def
Castle & Cooke	913	2.4	def
Clark Equipment	914	2.2	5.8
Kerr Glass Mfg	915	1.7	def
Foodarama Supermarkets	916	1.7	def
Lukens	917	1.6	0.3
Alexander's	918	1.4	6.3
Ford Motor	919	1.3	39.3
National-Standard	920	1.3	8.3
United Brands	921	1.2	6.3
Westmoreland Coal	922	1.1	7.9
CertainTeed	923	1.1	8.4
Southwest Forest Inds	924	0.8	0.7
Chromalloy American	925	0.5	def
Mack Trucks	926	0.4	9.4
UAL	927	0.3	16.5
Uniroyal	928	0.2	15.0
Amer Hoist & Derrick	929	0.2	def
Chicago Pneumatic Tool	930	0.1	9.8
Revere Copper & Brass	931	def	def
Oak Industries	932	def	def
Inland Steel	933	def	def
United States Steel	934	def	def
Federal Natl Mortgage	935	def	def
Toro	935	def	12.4
Gibraltar Finl Corp Cal	937	def	20.0
Armco	938	def	def
Ramada Inns	939	def	3.0%
Singer	940	def	12.9
Wheeling-Pitts Steel	941	def	def
American Bakeries	942	def	11.5
Genesco	943	def	52.4
Gulf Resources & Chem	944	def	19.1
Evans Products	945	def	def
Interstate Bakeries	946	def	def
GAF	947	def	def
Borman's	948	def	def
Talley Industries	949	def	15.5
NVF	950	def	def
National Intergroup	951	def	def
Inspiration Resources	952	def	def
Trans World Airlines	953	def	6.3
Harnischfeger	954	def	2.5
Bird	955	def	def
Imperial Corp of Amer	956	def	def
Inco	957	def	def
Great Atl & Pacific Tea	958	def	10.1
Wilson Foods	959	def	def
Bethlehem Steel	960	def	def
Pan Am Corp	961	def	def
Allis-Chalmers	962	def	def
First Pennsylvania	963	def	def
United Merchants & Mfrs	964	def	9.6
Cook United	965	def	def
Tiger International	966	def	def
General Refractories	967	def	61.0
Pettibone	968	def	def
Mattel	969	def	NE
Eastern Air Lines	970	def	def
Chrysler	971	def	85.1
International Harvester	972	def	NE
Pantry Pride	973	def	9.6
HRT Industries	974	def	def
American Motors	975	def	10.2
Western Air Lines	976	def	def
Texas Air	977	def	NE
Allied Supermarkets	978	def	0.2
Republic Airlines	979	def	NE
AM International	980	def	NE
Rath Packing	981	def	def
Wickes Cos	982	def	NE
Massey-Ferguson	983	def	NE
Amer Info Technology		NA	12.5
Amer Tel & Tel		NA	NA
American President Cos		NA	28.9
BellSouth		NA	11.5
CalFed		NA	9.7
Delchamps		NA	18.2
Glendale Federal S&L		NA	16.2
Gulfstream Aerospace		NA	29.2
Home Federal S&L Cal		NA	9.9
Keystone Consol Inds		NA	def
NI Industries		NA	36.0
NYNEX		NA	11.3
Pabst Brewing		NA	def
Sea-Land		NA	8.9
Southwestern Bell		NA	11.3
Time Inc		NA	23.0
Transworld		NA	24.8

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

WHO'S WHERE IN THE INDUSTRY GROUPS

Last year was good for the economy but not for corporate profitability. The 1,000 companies in this issue failed to match their five-year return on equity.

THE ECONOMIC RECOVERY was what everyone talked about in 1984, and by some measures corporate performance kept pace. The 1,000 companies in this issue posted median earnings increases of 15.8%. But profitability is a better measure of a company's vitality, and here the numbers are less encouraging. In the key measure of return on equity, the all-industry median for 1984 was 13.4%—good, but well below the five-year average of 15.1%.

So even a recovery year can carry considerable disappointment, and 1984 was no exception. Of the 42 industry groups in this table, 25 failed to match their long-term profitability. Many of the biggest losers are at the top of the list, where such sectors as oilfield drillers and petroleum took painful drubbings. Farther down the ranks, the performance of builders, metals firms and heavy equipment manufacturers was particularly disappointing.

Strangely, some of the best news is at the bottom of the list. Automakers, airlines and thrift institutions posted impressive rebounds. So did coal and paper companies, as well as consumer products firms. But perhaps the best way to summarize this topsy-turvy year is simply to note that, on a trailing 12-month basis, the return on equity of once-beleaguered automotive suppliers is 16%. That's exactly the same as the figure for the beverage industry, which leads the list in terms of long-term profitability. ■

Industry medians

Yardsticks of management performance

	Profitability					**Growth**					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Beverages	**1**	**22.4%**	**16.0%**	**0.5**	**6.0%**	**10**	**13.3%**	**9.9%**	**1**	**20.2%**	**–0.3**
Alcoholic beverages	—	18.3	13.9	0.4	5.8	—	14.6	8.0	—	18.3	–4.5
Soft drinks	—	27.1	21.3	0.5	6.2	—	13.3	17.9	—	24.5	14.5
Tobacco	**2**	**20.3**	**19.3**	**0.3**	**5.7**	**28**	**7.4**	**3.3**	**4**	**11.1**	**16.0**
Oilfield drillers and services	**3**	**20.1**	**1.7**	**0.6**	**0.3**	**11**	**13.3**	**–4.0**	**35**	**–29.4**	**P-D**
Health care	**4**	**19.9**	**15.6**	**0.3**	**7.6**	**20**	**10.5**	**7.4**	**6**	**10.3**	**8.6**
Drugs	—	19.7	15.5	0.2	8.6	—	9.9	7.4	—	7.9	10.1
Health care	—	19.4	15.7	0.3	6.5	—	13.0	4.9	—	6.5	5.6
Hospital management	—	22.9	18.2	1.4	7.6	—	39.8	11.5	—	29.1	18.2
Publishing	**5**	**19.2**	**20.6**	**0.3**	**7.6**	**8**	**13.9**	**13.3**	**2**	**12.6**	**27.3**
Petroleum	**6**	**18.9**	**10.7**	**0.4**	**3.1**	**7**	**15.4**	**4.6**	**17**	**1.2**	**–6.3**
International oils	—	18.3	13.0	0.4	3.2	—	9.7	2.3	—	1.2	8.1
Other oil and gas	—	19.1	9.6	0.5	2.9	—	15.6	5.0	—	1.2	–6.7
Services	**7**	**18.0**	**17.1**	**0.4**	**3.2**	**13**	**12.8**	**16.1**	**6**	**10.3**	**13.4**
Fast food chains	—	20.6	16.3	0.5	5.5	—	14.7	12.2	—	11.9	10.0
Food distributors	—	13.9	15.8	0.6	1.2	—	11.6	16.1	—	10.3	13.4
Industrial services	—	20.8	18.5	0.3	5.3	—	19.3	15.8	—	12.0	8.3
Office services	—	18.0	16.7	0.2	4.2	—	10.1	19.4	—	3.6	28.4
Electrical equipment	**8**	**17.7**	**16.3**	**0.1**	**5.6**	**24**	**8.7**	**11.7**	**13**	**3.6**	**26.5**
Computers	**9**	**17.4**	**12.9**	**0.3**	**5.6**	**4**	**18.2**	**15.1**	**15**	**3.1**	**28.0**
Broadcasting	**10**	**16.9**	**16.5**	**0.4**	**4.3**	**6**	**16.2**	**17.3**	**28**	**–7.0**	**27.4**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.

Sources: Media General Financial Services, Inc.; Forbes

Industry medians

Yardsticks of management performance

	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Builders	**11**	**16.7**	**10.0**	**0.2**	**2.1**	**17**	**11.0**	**2.8**	**27**	**–6.2**	**–16.2**
Commercial	—	18.2	9.3	0.2	1.9	—	14.1	–5.8	—	4.2	–25.7
Residential	—	11.6	11.6	0.2	3.7	—	2.2	16.1	—	–18.8	–0.1
Retailers-specialty	**12**	**16.1%**	**16.2%**	**0.4**	**3.2%**	**15**	**12.5%**	**13.4%**	**9**	**6.8%**	**22.0%**
Apparel	—	19.6	16.1	0.3	4.7	—	12.6	18.9	—	17.7	12.3
Catalog showroom	—	14.8	8.2	0.7	1.8	—	21.3	15.2	—	–4.5	–5.2
Drug chains	—	20.1	20.7	0.3	2.9	—	14.6	11.1	—	16.7	22.9
Miscellaneous	—	12.9	16.2	0.5	2.8	—	9.0	14.0	—	0.0	30.5
Jewelry	—	13.5	8.4	0.4	3.5	—	2.6	8.0	—	NM	32.4
Shoes	—	14.9	16.6	0.3	4.1	—	7.2	4.9	—	NM	22.1
Food processors	**13**	**16.0**	**15.8**	**0.3**	**2.9**	**25**	**8.6**	**9.2**	**14**	**3.2**	**8.6**
Commodities	—	15.2	9.6	0.3	2.4	—	7.3	17.8	—	–3.5	–3.2
Branded foods	—	16.8	17.4	0.3	4.1	—	9.1	7.2	—	9.7	11.7
Meatpacking	—	14.5	9.3	0.9	0.8	—	8.4	–0.8	—	NM	–33.3
Supermarkets	**14**	**15.9**	**13.3**	**0.7**	**1.0**	**21**	**10.2**	**8.1**	**16**	**3.0**	**3.6**
Major chains	—	21.2	17.1	0.7	1.3	—	11.3	8.1	—	8.6	6.3
Regional chains	—	13.2	10.5	0.7	0.7	—	9.2	6.6	—	–0.7	1.7
Convenience stores	—	17.4	15.4	1.1	2.1	—	16.4	28.3	—	NM	22.5
Natural gas utilities	**15**	**15.8**	**14.0**	**0.8**	**3.6**	**5**	**16.9**	**8.8**	**11**	**5.2**	**16.9**
Distributors	—	13.1	15.3	0.9	3.0	—	17.0	10.5	—	3.3	63.1
Integrated	—	15.1	16.2	0.7	3.8	—	16.9	9.2	—	5.2	0.7
Producers and pipelines	—	19.8	12.6	0.9	4.1	—	16.5	1.6	—	10.3	13.4
Aerospace and defense	**16**	**15.8**	**15.2**	**0.2**	**4.0**	**22**	**10.1**	**11.3**	**22**	**–1.5**	**27.6**
Electronics	**17**	**15.7**	**15.9**	**0.2**	**4.9**	**13**	**12.8**	**19.2**	**18**	**0.8**	**27.6**
Equipment	—	15.7	12.9	0.3	4.7	—	11.8	18.3	—	0.8	26.5
Semiconductors	—	17.9	19.8	0.1	5.3	—	16.9	35.5	—	2.3	70.8
Telecommunications	**18**	**15.7**	**11.3**	**0.6**	**8.9**	**15**	**12.5**	**8.2**	**20**	**0.6**	**7.4**
Carriers	—	14.8	11.6	0.9	9.4	—	11.1	6.0	—	3.9	6.2
Manufacturing	—	19.7	8.1	0.3	4.6	—	23.0	20.6	—	15.7	13.9
Leisure and recreation	**19**	**15.3**	**12.0**	**0.4**	**4.9**	**27**	**8.3**	**13.5**	**32**	**–14.2**	**–6.3**
Entertainment	—	15.7	9.1	0.5	5.8	—	10.4	14.6	—	–5.2	–37.8
Hotels and gaming	—	17.3	12.3	1.1	3.5	—	8.6	9.0	—	–15.2	–1.5
Recreation	—	12.0	19.6	0.3	5.2	—	–4.0	17.7	—	NM	33.6
Recreational vehicles	—	7.7	23.6	0.0	4.5	—	0.3	26.0	—	NM	–1.4
Photography	—	11.2	7.8	0.0	4.8	—	3.3	0.2	—	–11.0	15.3
Toys and electronics	—	39.6	–1.1	0.3	2.9	—	24.4	10.9	—	NM	P-D
Apparel	**20**	**15.2**	**15.9**	**0.2**	**4.1**	**26**	**8.4**	**7.8**	**3**	**12.3**	**14.3**
Clothing	—	13.8	15.5	0.2	3.9	—	8.2	9.2	—	9.5	19.9
Shoes	—	21.3	17.1	0.1	4.5	—	12.0	6.1	—	15.4	0.2
Banks	**21**	**15.1**	**13.5**	**0.3**	**6.8**	**3**	**18.6**	**15.1**	**5**	**10.5**	**6.2**
Multinational banks	—	15.0	12.0	0.4	5.0	—	16.7	14.9	—	9.5	–14.1
Northeast	—	15.1	15.5	0.3	7.9	—	21.7	22.9	—	14.1	2.4
Midwest	—	12.3	11.7	0.2	6.3	—	17.5	11.1	—	0.5	7.5
Southeast	—	16.9	18.4	0.3	8.5	—	21.0	18.3	—	15.1	15.7
Southwest	—	17.9	12.0	0.3	7.5	—	26.6	19.8	—	12.4	–8.5
West	—	14.5	12.5	0.4	5.6	—	16.1	12.6	—	2.2	7.3
Financial services	**22**	**15.1**	**11.7**	**0.7**	**3.8**	**2**	**19.7**	**10.9**	**12**	**4.4**	**–13.6**
Financial services	—	10.9	11.7	2.2	3.8	—	9.7	10.9	—	–2.2	12.2
Trading	—	25.5	10.3	0.4	4.5	—	31.1	8.5	—	24.1	–51.8
Insurance	**23**	**15.1**	**10.9**	**0.1**	**5.5**	**23**	**9.5**	**12.9**	**21**	**0.3**	**–2.9**
Brokers	—	26.4	6.0	0.3	5.8	—	15.6	3.8	—	NM	D-D
Diversified	—	18.0	11.8	0.2	6.8	—	10.3	10.1	—	0.0	–4.1
Life and health	—	13.1	11.9	0.1	4.8	—	11.4	14.2	—	1.5	16.8
Property and casualty	—	16.9	6.6	0.1	5.5	—	8.0	15.0	—	–3.4	–45.9
Diversified companies	**24**	**14.2**	**11.0**	**0.4**	**3.5**	**33**	**5.4**	**10.3**	**23**	**–1.7**	**17.0**
Multicompanies	—	13.1	10.4	0.3	3.7	—	5.4	10.2	—	2.0	17.0
Conglomerates	—	16.1	11.8	0.5	3.1	—	5.6	10.5	—	–8.3	9.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.

Sources: Media General Financial Services, Inc.; Forbes

Industry medians

Yardsticks of management performance

	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Chemicals	25	14.1%	13.0%	0.4	3.8%	35	4.5%	10.1%	24	–3.7%	31.3%
Diversified	—	12.3	12.7	0.3	3.4	—	3.7	10.1	—	–5.9	45.9
Specialized	—	15.6	13.8	0.4	3.9	—	5.5	10.7	—	–0.4	23.7
Retailers-general	26	13.9	14.4	0.5	3.1	19	10.5	13.1	8	9.3	15.4
Department stores	—	12.6	14.1	0.6	3.6	—	10.5	13.0	—	9.1	13.6
Discount and variety	—	14.6	16.4	0.5	2.6	—	10.5	13.1	—	12.6	16.9
Electric utilities	27	13.6	15.5	0.9	12.0	9	13.8	8.2	10	6.4	9.9
Northeast	—	13.2	16.2	0.9	11.5	—	14.1	9.9	—	5.7	11.2
Midwest	—	14.1	15.4	1.0	11.7	—	12.4	8.0	—	7.9	3.7
Southeast	—	13.0	15.0	1.0	11.0	—	13.0	8.1	—	4.5	16.8
Southwest	—	14.8	15.8	1.0	13.1	—	15.5	8.1	—	6.4	8.9
West	—	13.7	14.6	0.9	16.2	—	15.5	8.9	—	8.4	9.3
Surface transportation	28	13.5	12.7	0.7	3.4	31	5.5	15.7	26	–5.5	23.7
Railroads	—	12.6	11.0	0.6	3.9	—	5.2	11.7	—	–4.7	30.9
Truckers	—	17.5	16.3	0.7	2.9	—	4.9	17.5	—	–5.0	15.2
Other	—	14.4	11.1	0.8	2.7	—	6.2	12.2	—	NM	31.7
Consumer products	29	13.4	15.6	0.3	5.2	34	5.4	7.4	19	0.7	11.4
Appliances	—	10.3	18.2	0.4	3.8	—	2.9	15.1	—	NM	50.1
Home furnishings	—	9.5	6.6	0.3	3.0	—	4.1	8.8	—	–10.1	–23.6
Household products	—	18.5	17.6	0.1	7.2	—	8.9	5.0	—	10.3	5.0
Personal products	—	18.5	15.1	0.2	6.1	—	10.0	3.0	—	7.6	4.1
Industrial machinery	30	13.3	9.8	0.3	2.9	38	3.6	14.4	31	–12.2	28.9
Packaging	31	12.2	12.4	0.4	2.3	29	6.8	14.0	30	–10.8	42.4
Paper	32	11.2	13.9	0.5	4.2	32	5.5	16.5	29	–8.4	70.8
Office equipment	33	10.8	14.3	0.2	5.0	30	6.8	7.2	36	NM	10.3
Automotive suppliers	34	10.5	16.0	0.3	3.5	37	3.8	16.6	33	–14.3	43.8
Parts makers	—	13.0	16.6	0.3	4.0	—	3.8	18.7	—	–11.7	43.8
Tire and rubber	—	6.5	13.5	0.3	2.8	—	3.2	12.2	—	NM	39.0
Building materials	35	9.8	8.9	0.4	2.8	39	2.4	13.2	34	–27.1	32.1
Cement and gypsum	—	9.5	6.8	0.9	1.9	—	2.1	12.5	—	–47.0	167.7
Lumber	—	8.8	8.0	0.5	2.0	—	3.8	14.7	—	–31.9	119.0
Other materials	—	11.0	12.8	0.4	3.2	—	2.0	14.0	—	–13.5	24.4
Equipment	—	14.1	15.6	0.2	3.4	—	6.2	14.5	—	NM	26.8
Textiles	36	9.5	10.8	0.4	3.4	36	4.1	10.5	25	–4.3	26.6
Metals	37	7.9	1.5	0.5	def	40	0.4	22.3	36	NM	D-D
Nonferrous metals	—	8.6	1.2	0.6	1.0	—	2.1	12.7	—	NM	P-D
Steel	—	6.3	5.1	0.5	def	—	–4.2	27.2	—	NM	D-D
Coal	38	7.8	10.6	0.6	3.4	18	10.9	9.6	36	NM	65.9
Thrift institutions	39	4.1	9.9	0.2	5.1	1	22.8	30.6	40	NM	9.1
Air transport	40	2.9	6.3	1.0	def	12	13.0	15.5	40	NM	D-D
Freight	—	20.4	10.0	0.6	3.8	—	13.0	15.5	—	–6.0	–39.6
Passenger	—	1.6	0.8	1.3	def	—	13.6	15.9	—	NM	D-D
Heavy equipment	41	2.5	def	0.6	def	42	–5.5	5.8	36	NM	D-D
Agricultural	—	def	NE	3.0	def	—	–9.0	0.2	—	NM	D-D
Building and mining	—	5.2	2.2	0.4	def	—	–5.2	7.9	—	NM	D-D
Automobiles and trucks	42	1.3	18.0	0.4	2.3	41	–1.5	25.4	40	NM	167.8
All-industry medians	—	15.1	13.4	0.4	3.7	—	10.2	11.5	—	–0.6	15.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

Company	Rank: Profitability	Rank: Growth	Rank: Stock market	Industry survey page
Abbott Laboratories	84	120	305	154
Advanced Micro Devices	109	99	35	140
Aetna Life & Casualty	530	702	748	163
H F Ahmanson	883	**	700	211
Air Products & Chems	350	398	651	118
Albertson's	113	191	159	202
Alcan Aluminium	563	763	679	170
Alco Standard	242	414	392	154, 185
Alexander & Alexander	95	**	857	163
Alexander & Baldwin	473	168	165	204
Alexander's	918	**	92	194
Allegheny Beverage	65	53	14	78, 198
Allegheny International	679	**	833	126, 128
Allegheny Power System	542	183	363	134
Allen Group	863	**	620	67
Allied Bancshares	56	65	194	71
Allied Corp	30	**	759	67, 118, 128
Allied Stores	646	363	282	194
Allied Supermarkets	978	**	361	198, 202
Allis-Chalmers	962	**	943	156, 160
Alltel	423	424	629	208
Aluminum Co of America	695	**	615	170
AM International	980	**	947	176
AMAX	898	**	929	170
Amdahl	766	703	827	122
Amerada Hess	159	638	744	187
American Bakeries	942	**	727	148
American Brands	139	315	367	128, 214
Amer Broadcasting Cos	275	504	503	81
American Can	887	**	577	181
American Cyanamid	698	550	558	118, 154
Amer District Telegraph	631	264	256	140
American Electric Power	694	533	716	134
American Express	176	410	237	144, 163
American Family	487	611	136	163
American General	329	364	308	163
American Greetings	366	115	24	190
Amer Hoist & Derrick	929	**	926	156
American Home Products	33	209	385	126, 154
Amer Hospital Supply	299	177	551	154
Amer Info Technology	**	**	**	208
Amer International Grp	146	128	288	163
American Maize-Products	827	651	656	148
Amer Medical Intl	102	60	286	154
American Motors	975	**	900	62
Amer National Insurance	692	389	380	163
Amer Natural Resources	324	286	682	172
American Petrofina	394	463	471	187
American President Cos	**	**	**	204
American Standard	280	715	712	113, 204
American Stores	79	49	63	196, 202
Amer Tel & Tel	**	**	**	208
AmeriTrust	747	526	420	71
Ames Department Stores	113	93	9	194
Ametek	211	301	322	160
AMF	851	**	749	160, 168
Amfac	847	**	811	128
AMP	85	336	247	140
Ampco-Pittsburgh	815	**	697	156, 170
AMR	904	**	130	54
Amsted Industries	621	**	825	113, 156, 160
Anchor Hocking	857	**	541	126, 181
Anderson, Clayton	774	622	521	148

Company	Rank: Profitability	Rank: Growth	Rank: Stock market	Industry survey page
Anheuser-Busch Cos	189	76	112	78
Anixter Bros	148	101	199	208
Apple Computer	2	2	874	122
ARA Services	728	606	298	198
Archer Daniels Midland	388	172	738	148
Arden Group	770	18	51	202
Arizona Public Service	490	458	702	134
Arkansas Best	872	**	400	204
Arkla	247	368	472	172
Armco	938	**	923	170
Armstrong Rubber	862	**	66	67
Armstrong World Inds	816	652	389	113
Arrow Electronics	754	**	772	140
Arvin Industries	827	655	241	67
ASARCO	779	**	889	170
Ashland Oil	211	731	872	187
Associated Dry Goods	702	142	178	194
Athlone Industries	802	**	750	170
Atlanta Gas Light	777	599	365	172
Atlantic City Electric	649	397	560	134
Atlantic Richfield	140	214	703	187
Auto Data Processing	197	151	300	198
Avco	737	721	544	50, 144
Avery International	410	220	100	181
Avnet	306	394	191	140
Avon Products	96	669	908	126
Avondale Mills	875	601	364	210
Baker International	215	**	897	178
Ball Corp	385	222	82	181
Bally Manufacturing	182	720	924	168
Baltimore Gas & Elec	613	345	401	134
Banc One	220	200	187	71
Bank of Boston	447	143	283	71
Bank of New England	297	238	180	71
Bank of New York	471	197	353	71
BankAmerica	595	666	887	71
Bankers Trust New York	278	106	174	71
Barnes Group	810	**	663	67
Barnett Banks of Fla	282	122	105	71
Bausch & Lomb	371	591	585	154
Baxter Travenol Labs	268	127	704	154
BayBanks	465	225	183	71
Beatrice	485	675	545	148
Becton, Dickinson	636	610	693	154
Bell & Howell	877	**	277	176
Bell Atlantic	673	**	**	208
BellSouth	**	**	**	208
Bemis	787	643	371	181
Beneficial Corp	882	**	696	144, 196
Bergen Brunswig	18	56	53	154
Berkshire Hathaway	773	153	65	128, 163
Best Products	495	604	840	196
Bethlehem Steel	960	**	842	170
Beverly Enterprises	123	54	86	154
Big Bear	14	57	**	202
Big Three Industries	347	535	769	118, 178
Big V Supermarkets	131	325	227	202
Bindley Western Ind	34	85	**	154
Bird	955	**	927	113
Black & Decker Mfg	786	**	798	126
Blount	178	194	135	109
Blue Bell	518	646	535	58
Boeing	142	598	454	50

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Boise Cascade	823	752	720	113, 181, 185
Borden	635	298	219	118, 148
Borg-Warner	555	387	225	67, 118, 128
Borman's	948	**	793	202
Boston Edison	676	482	512	134
Bowater	209	630	**	185
BRAE	230	14	879	204
Briggs & Stratton	289	628	741	160
Bristol-Myers	118	175	182	126, 154
Brockway Inc (NY)	864	761	645	181
Brooklyn Union Gas	413	297	498	172
Brown-Forman	116	52	533	78
Brown Group	321	150	117	58, 196
Browning-Ferris Inds	155	67	99	198
Bruno's	126	37	89	202
Brunswick	333	28	34	168
Bucyrus-Erie	905	**	877	156
Burlington Industries	848	518	502	126, 210
Burlington Northern	649	429	106	204
Burroughs	835	682	876	122
Business Men's Assur Co	522	432	500	163
Butler Manufacturing	819	**	758	113
Cabot	160	403	399	118, 187
Caesars World	602	**	917	168
CalFed	**	**	**	211
California First Bank	723	693	715	71
Cameron Iron Works	180	738	914	178
Campbell Soup	482	354	253	148
Capital Cities Commun	130	130	113	81, 190
Capital Holding	553	263	284	163
Carnation	303	245	114	148
Carolina Power & Light	637	510	628	134
Carpenter Technology	460	674	618	170
Carson Pirie Scott	744	617	351	194, 196
Carter Hawley Hale	759	654	598	194
Castle & Cooke	913	**	672	148
Caterpillar Tractor	844	**	899	156
CBI Industries	245	416	888	109
CBS	451	639	522	81, 168
CBT	407	171	273	71
Ceco Industries	666	499	250	113
Celanese	767	**	444	118, 210
Centel	306	360	525	208
Centerre Bancorporation	706	626	595	71
Centex	266	426	**	109
Central & South West	442	359	518	134
Central Hudson Gas & El	566	379	639	134
Central Illinois Light	628	329	527	134
Central Illinois Pub Svc	591	380	578	134
Central Soya	785	649	770	148
Central Steel & Wire	683	634	534	170
CertainTeed	923	**	593	113
Cessna Aircraft	765	**	795	50
CFS Continental	575	66	22	198
Champion International	826	750	830	113, 185
Champion Spark Plug	789	705	814	67
Charter Co	15	**	953	163, 187
Chase Manhattan	530	288	719	71
Chemical New York	462	164	328	71
Chesebrough-Pond's	151	244	436	126, 148
Chevron	284	459	675	187
Chicago & North Western	91	**	27	204
Chicago Pneumatic Tool	930	**	849	160

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Chromalloy American	925	**	918	128, 160, 204
Chrysler	971	**	60	62
Chubb	424	589	350	163
Church's Fried Chicken	67	442	405	198
CIGNA	890	571	**	163
Cincinnati Gas & Elec	579	468	815	134
Cincinnati Milacron	438	**	671	160
Circle K	371	**	231	202
Citicorp	430	261	517	71
Citizens & Southern Ga	406	29	123	71
City Federal S & L	670	**	84	211
City Investing	652	742	293	128, 163
Clark Equipment	914	**	880	156
Cleveland Electric	535	315	695	134
Clorox	272	267	148	126
Cluett, Peabody	760	229	161	58
CNA Financial	254	602	394	163
Coachmen Industries	846	**	26	168
Coastal Corp	446	**	701	187
Coca-Cola	134	364	374	78
Coleco Industries	10	**	10	168
Colgate-Palmolive	538	347	425	126
Collins & Aikman	657	107	62	210
Colonial Penn Group	713	**	601	163
Colt Industries	718	**	223	67, 160
Columbia Gas System	550	402	832	172
Combined International	200	440	376	163
Combustion Engineering	375	**	764	160
Comdisco	12	19	104	122
Comerica	705	548	543	71
Commercial Metals	474	552	532	170
Commonwealth Edison	603	334	573	134
Commonwealth Energy	483	312	467	134
Computer Sciences	85	537	851	50
ConAgra	71	167	44	148
Consolidated Edison	604	152	243	134
Consolidated Foods	341	201	201	126, 148
Consol Freightways	240	502	267	204
Consol Natural Gas	529	273	317	172
Consolidated Papers	270	561	206	185
Consumers Power	682	544	940	134
Continental Corp	816	759	637	163
Continental Illinois	685	701	**	71
Continental Telecom	434	433	600	208
Control Data	736	283	604	122, 144
Cook United	965	**	937	194
Cooper Industries	187	683	775	133, 160
Cooper Tire & Rubber	179	36	23	67
Adolph Coors	799	492	689	78
Copperweld	849	**	713	170
CoreStates Financial	487	179	167	71
Corning Glass Works	700	660	688	126, 154
Cox Communications	216	148	129	81
CPC International	310	513	606	148
Crane	912	**	711	113
Crocker National	742	**	818	71
Crown Central Petroleum	405	757	936	187
Crown Cork & Seal	671	607	506	181
Crown Zellerbach	881	**	886	185
CSX	725	357	546	204
Culbro	362	**	20	214
Cullum Companies	149	185	193	202
Cummins Engine	860	**	217	67

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Curtice-Burns	287	242	181	148
Cyclops	888	**	447	170
Dana	678	695	514	67
Dart & Kraft	481	417	330	148
Data General	539	718	318	122
Datapoint	364	747	905	122
Dayco	855	754	667	67, 160
Dayton-Hudson	290	543	121	194
Dayton Power & Light	582	255	737	134
Dean Foods	115	88	13	148
Deere	809	755	852	156
DEKALB AgResearch	755	713	860	148, 187
Delchamps	**	**	**	202
Delmarva Power & Light	640	386	453	134
Delta Air Lines	843	**	329	54
Deluxe Check Printers	52	105	149	190
Dennison Manufacturing	444	490	341	181, 198
Denny's	317	308	68	198
DeSoto	728	396	155	113
Detroit Edison	706	455	657	134
Dexter	342	451	462	118
Di Giorgio	827	657	807	148, 198
Diamond Shamrock	716	**	903	118, 187
Dibrell Brothers	395	78	38	214
Digital Equipment	327	221	519	122
Dillard Dept Stores	408	34	2	194
Walt Disney Productions	733	586	622	168
Diversified Energies	415	423	476	172
Dominion Resources	748	434	387	134
Donaldson, Lufkin & Jenrette	471	21	12	144
R R Donnelley & Sons	390	173	116	190
Dorsey	740	**	344	181, 204
Dover	80	192	272	113, 160
Dow Chemical	573	717	817	118
Dow Jones	39	98	67	190
Dravo	892	**	904	109
Dresser Industries	619	758	858	178
E I Du Pont de Nemours	504	629	691	118, 187
Duke Power	524	368	455	134
Dun & Bradstreet	43	112	152	190
Duquesne Light	700	358	707	134
DWG	722	44	658	187, 210
Dynalectron	358	**	822	109, 198
E-Systems	218	62	127	50
Eagle-Picher Industries	771	700	705	67, 160
Easco	687	519	670	160, 170
Eastern Air Lines	970	**	902	54
Eastern Gas & Fuel	629	87	646	121, 172
Eastman Kodak	332	620	489	168
Eaton	865	**	321	67, 140
Echlin	626	500	449	67
Jack Eckerd	339	385	520	196
Economics Laboratory	683	**	774	126
Edison Brothers Stores	317	585	569	196
EG&G	48	90	169	50, 140
Emerson Electric	152	304	323	133
Emery Air Freight	58	633	740	54
Emhart	380	378	304	160
Engelhard	235	258	684	170
ENSERCH	293	392	803	109, 172
Entex	117	344	717	172
Equifax	198	248	102	144
Equitable of Iowa Cos	794	614	788	163
Ethyl	511	474	301	118
Evans Products	945	**	948	196
Ex-Cell-O	560	439	571	50, 67, 160
Exxon	219	296	473	187
Fairchild Industries	82	648	850	50
Farm House Foods	567	744	635	198
Farmers Group	276	294	373	163
Federal Co	624	557	398	148
Federal Express	21	26	160	54
Federal-Mogul	397	581	291	67
Federal Natl Mortgage	935	**	791	144
Federal Paper Board	608	315	536	181, 185
Federated Dept Stores	517	306	386	194
Ferro	689	673	698	118
Fidelcor	643	**	69	71
Fieldcrest Mills	749	697	665	126
Figgie Intl Holdings	391	235	271	128, 198
Financial Corp of Amer	9	11	164	211
Firestone Tire & Rubber	903	**	348	67
First Atlanta	337	55	37	71
First Bank System	523	381	575	71
First Boston	51	3	11	144
First Chicago	781	372	597	71
First City Bancorp	373	621	841	71
First Executive	46	9	19	163
First Interstate Bancorp	388	419	631	71
First Natl State Bancorp	455	154	244	71
First Natl Supermarkets	787	**	133	202
First Pennsylvania	963	**	896	71
First Security	515	576	779	71
First Union	302	224	97	71
First Wisconsin	598	234	469	71
Fischbach	357	114	550	109
Fisher Foods	853	**	726	202
Fleet Financial Group	265	131	119	71
Fleetwood Enterprises	753	**	31	109, 168
Fleming Cos	259	160	87	198
Florida Power & Light	624	466	396	134
Florida Progress	664	446	442	134
Flowers Industries	226	189	30	148
Fluor	250	722	895	109
FMC	616	476	264	50, 118, 128
Food Lion	40	81	72	202
Foodarama Supermarkets	916	**	434	202
Ford Motor	919	**	269	62
Fort Howard Paper	89	155	198	181, 185
L B Foster	44	**	912	178
Foster Wheeler	175	488	800	109, 160
Foxboro	717	714	673	160
FoxMeyer	6	63	**	154
Freeport-McMoran	87	281	893	118, 187
Fremont General	105	**	599	163
Frontier Holdings	340	**	685	54
Fruehauf	878	**	616	62
Fuqua Industries	414	**	126	126, 128, 168
GAF	947	**	215	113, 118
Gannett	144	229	287	190
Gap Stores	185	61	64	196
Gates Learjet	470	753	752	50
GATX	870	**	835	204
GEICO	24	322	29	163
Gelco	273	**	845	198
GenCorp	865	692	419	50, 67

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
General Cinema	54	30	58	78, 168
General Dynamics	231	**	270	50
General Electric	208	280	252	126, 128, 133
General Foods	358	413	422	148
General Host	306	**	142	202
General Instrument	264	480	647	140
General Mills	252	193	302	148
General Motors	840	**	494	62
General Public Utils	897	719	612	134
General Re	161	195	212	163
General Refractories	967	**	829	160
General Signal	424	487	648	133, 140, 160
Genesco	943	**	499	58, 196
Genuine Parts	207	312	306	67
Geo International	141	**	949	178
Georgia-Pacific	794	746	813	113, 185
Gerber Products	396	276	230	148
Giant Food	199	86	54	202
Gibraltar Finl Corp Cal	937	**	854	211
Gifford-Hill	807	762	746	113
Gillette	262	333	292	126
Glendale Federal S&L	**	**	**	211
Global Marine	42	40	910	178
Godfrey	723	690	461	202
Golden West Financial	485	**	402	211
B F Goodrich	886	**	563	67, 118
Goodyear Tire & Rubber	776	462	334	67
Gordon Jewelry	539	556	633	196
Gould	720	709	802	50, 140
W R Grace	445	546	751	118, 128, 196
W W Grainger	310	422	505	133
Great Amer First Savings	899	**	**	211
Great Atl & Pacific Tea	958	**	332	202
Great Northern Nekoosa	590	525	479	185
Great Western Financial	896	**	735	211
Greyhound	576	421	466	204
Grumman	627	166	220	50
GTE	490	408	555	208
Guardian Industries	93	140	49	113
Gulf & Western Inds	746	**	357	128, 144, 168
Gulf Resources & Chem	944	**	907	118, 121
Gulf States Utilities	544	383	722	134
Gulfstream Aerospace	**	**	**	50
Halliburton	286	540	859	160, 178
Hammermill Paper	711	588	274	185
Handy & Harman	351	644	790	170
Hannaford Bros	214	100	32	202
Hanover Insurance Cos	324	311	222	163
Harcourt Brace Jovanovich	571	519	195	190
Harnischfeger	954	**	875	156
Harris Corp	333	562	828	50, 122
Harsco	605	656	511	113, 160
Hartmarx	654	134	96	58, 196
Harvey Hubbell	280	309	311	133
Hawaiian Electric Inds	761	549	438	134
Heck's	465	603	661	194
G Heileman Brewing	41	70	458	78
H J Heinz	239	129	110	148
Hercules	539	553	445	50, 118
Hershey Foods	224	135	115	148
Hewlett-Packard	217	89	248	122, 140
Hilton Hotels	92	384	414	168
Holiday Inns	458	318	246	168

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Holly Corp	370	514	906	187
Home Federal S&L Cal	**	**	**	211
Honeywell	534	451	559	50, 122, 140
Hoover	839	**	295	126
Hoover Universal	591	536	263	67, 160
George A Hormel	516	437	428	148
Hospital Corp of Amer	157	41	176	154
Household International	710	568	383	128, 144, 194
Houston Industries	577	575	732	134
Houston Natural Gas	112	249	724	172
HRT Industries	974	**	891	194
Hughes Tool	392	**	911	178
Humana	20	16	83	154
Huntington Bancshares	521	456	218	71
E F Hutton Group	45	58	56	144
IC Industries	841	653	265	128, 148, 204
Ideal Basic Industries	844	**	881	113
Idle Wild Foods	416	607	508	148
Illinois Power	453	373	669	134
Illinois Tool Works	329	399	258	160
Imperial Corp of Amer	956	**	894	211
Inco	957	**	921	170
Ingersoll-Rand	838	**	847	160
Inland Steel	933	**	871	170
Insilco	436	570	339	113, 140
Inspiration Resources	952	**	**	118, 170
Intel	193	578	440	140
Interco	615	560	515	58, 128
InterFirst	574	**	901	71
Interlake	842	566	439	170
IBM	107	243	346	122
Intl Flavors & Frag	164	444	586	118
International Harvester	972	**	945	62, 156
Intl Minerals & Chem	465	597	789	118
Intl Multifoods	499	273	524	148
International Paper	633	667	583	181, 185
InterNorth	343	418	591	172
Interpublic Group	237	528	290	190
Interstate Bakeries	946	**	345	148
Iowa-Illinois Gas & El	299	279	486	134
Iowa Resources	512	441	610	134
IPALCO Enterprises	490	334	482	134
Irving Bank	480	323	388	71
ITT	617	477	754	128, 163, 208
IU International	174	632	553	128, 204
James River Corp of Va	29	109	81	185
Jefferson-Pilot	663	485	335	163
Jefferson Smurfit	8	1	**	181
Jerrico	291	92	221	198
Jim Walter	813	745	674	113
Johnson & Johnson	222	272	630	126, 154
Johnson Controls	430	448	613	67, 133
Earle M Jorgensen	572	691	490	170
Joy Manufacturing	598	743	655	156
K mart	567	501	549	194
Kaiser Aluminum & Chem	835	**	863	170
Kaman	498	260	93	50, 160
Kaneb Services	101	522	928	121, 178
Kansas City Power & Lt	533	174	602	134
Kansas Power & Light	456	269	340	134
Kaufman & Broad	895	**	416	109, 163
Kay	587	**	692	148, 196
Kellogg	62	240	307	148

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

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Where to find the company

	Rank			
Company	**Profitability**	**Growth**	**Stock market**	**Industry survey page**
Kellwood	868	340	177	58
Kelly Services	78	390	175	198
Kemper	384	625	562	163
Kentucky Utilities	708	321	617	134
Kerr Glass Mfg	915	**	642	181
Kerr-McGee	601	481	809	187
Keystone Consol Inds	**	**	**	170
Kidde	544	483	480	128
Kimberly-Clark	295	517	249	126, 185
KN Energy	477	461	**	172
Knight-Ridder Newspapers	365	331	285	190
Koppers	873	**	865	113, 118, 128
Kroger	404	460	316	202
Laclede Gas	607	471	234	172
Lafarge	901	**	**	113
Lear Siegler	124	509	354	50, 67, 128
Leaseway Transportation	329	612	649	204
Levi Strauss	97	521	862	58
Levitz Furniture	638	533	172	196
Libbey-Owens-Ford	859	728	343	67
Life Investors	621	411	404	163
Eli Lilly	138	300	756	154
Limited	22	8	1	196
Lincoln National	693	529	379	163
Liquid Air	549	623	836	118
Litton Industries	76	**	475	50, 128, 160
Lockheed	3	**	78	50
Loews	162	136	88	163, 214
Lone Star Industries	783	**	837	113
Long Island Lighting	484	454	909	134
Longs Drug Stores	251	326	482	196
Longview Fibre	832	712	856	181, 185
Louisiana Land & Explor	224	640	**	187
Louisiana-Pacific	861	**	763	113
Louisville Gas & Elec	697	406	579	134
M Lowenstein	852	**	25	210
Lowe's Companies	409	291	98	196
LTV	527	**	623	50, 170
Lubrizol	203	650	843	118
Lucky Stores	137	497	728	194, 202
Lukens	917	**	812	170
M/A-Com	231	145	416	140, 208
Mack Trucks	926	**	**	62
Macmillan	884	**	132	190
R H Macy	206	83	95	194
Magic Chef	757	456	73	126
Manhattan Industries	850	**	143	58, 196
Manufacturers Hanover	510	331	781	71
Manufacturers National	763	636	393	71
Manville	909	**	938	113
MAPCO	243	676	869	187
Marine Midland Banks	749	112	554	71
Marriott	165	71	57	168, 198
Marsh & McLennan Cos	57	354	496	163
Marsh Supermarkets	497	670	101	202
Martin Marietta	168	428	289	50, 128
Maryland National	560	252	185	71
Masco	204	310	278	113
Massey-Ferguson	983	**	939	156
Mattel	969	**	465	168
May Department Stores	434	292	208	194
Maytag	90	400	360	126
MCA	403	478	495	168

	Rank			
Company	**Profitability**	**Growth**	**Stock market**	**Industry survey page**
McCormick	343	149	431	148
McDermott International	796	349	785	160, 178
McDonald's	124	133	179	198
McDonnell Douglas	594	302	358	50
McGraw-Edison	730	671	596	133, 160
McGraw-Hill	129	184	154	190
MCI Communications	1	**	33	208
McKesson	416	583	493	78, 154
McLean Industries	433	**	**	204
MCorp	210	182	634	71
Mead	782	**	557	181, 185
Media General	320	168	236	190
MEI	53	59	18	78
Mellon Bank	570	226	470	71
Melville	68	196	163	58
Mercantile Bancorp	430	328	349	71
Mercantile Stores	401	132	90	194
Merck	127	351	677	154
Meredith	273	125	48	190
Merrill Lynch	169	68	147	144
MGM Grand Hotels	336	679	539	168
MGM/UA Entertainment	703	511	611	168
Michigan National	837	**	783	71
MidCon	584	414	568	172
Middle South Utilities	577	504	761	134
Midland-Ross	823	**	882	133, 160
Midlantic Banks	158	117	188	71
Minn Mining & Mfg	171	489	457	128
Mission Insurance Group	98	**	931	163
Mitchell Energy & Dev	32	159	529	172, 187
Mobil	326	507	753	187
Mohasco	907	**	235	126
Monfort of Colorado	654	**	232	148
Monsanto	732	445	501	118
Montana Power	476	264	643	134
Moore Corp	353	530	507	176
Moore McCormack Res	704	741	866	113
J P Morgan	381	266	456	71
Morrison-Knudsen	374	290	411	109
Morse Shoe	675	**	565	196
Morton Thiokol	200	97	202	50, 118
Motorola	422	382	313	140, 208
Munford	518	**	59	202
G C Murphy	827	4	171	194
Murphy Oil	146	84	755	187
Nabisco Brands	255	202	429	148
Nalco Chemical	94	324	552	118
Nash Finch	544	388	338	198, 202
Nashua	879	**	810	176
National Can	580	623	538	181
National City	638	527	686	71
Natl Convenience Stores	55	124	71	202
Natl Distillers & Chem	741	684	806	118, 128, 187
National Fuel Gas	667	314	268	172
National Gypsum	735	710	443	113
National Intergroup	951	**	762	170
Natl Medical Enterprises	131	33	156	154
National Semiconductor	505	**	491	140
Natl Service Industries	223	208	157	133, 198
National-Standard	920	**	861	170
NBD Bancorp	699	464	448	71
NCNB	354	233	213	71
NCR	468	569	516	122

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

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Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
New England Elec System	427	237	452	134
NY State Electric & Gas	512	395	594	134
New York Times	228	43	47	190
Newmont Mining	501	658	766	170
NI Industries	**	**	**	67, 126
Niagara Mohawk Power	567	302	605	134
NICOR	598	704	844	172
NIKE	4	6	890	58
NL Industries	499	**	878	118, 178
Nordstrom	279	110	120	196
Norfolk Southern	553	609	**	204
Norstar Bancorp	397	239	299	71
North American Coal	479	407	608	121
North American Philips	586	450	170	140
Northeast Utilities	644	215	497	134
No Indiana Public Svc	804	616	765	172
Northern States Power	496	246	372	134
Northern Trust	769	582	347	71
Northrop	443	732	184	50
Northwest Airlines	893	733	619	54
Northwest Industries	309	**	433	128
Northwest Steel & Wire	876	**	920	170
Northwestern Natl Life	806	686	464	163
Norton	557	711	735	160
Norwest	597	551	801	71
Nucor	87	635	513	170
NVF	950	**	942	170
NYNEX	**	**	**	208
Oak Industries	932	**	950	140
Occidental Petroleum	37	**	725	148, 187
Ogden	536	645	694	128
Ohio Casualty	271	619	708	163
Ohio Edison	629	251	768	134
Oklahoma Gas & Electric	634	247	459	134
Old Republic Intl	177	431	315	163
Olin	818	473	426	118, 128
Oneok	345	567	709	172
Orange & Rockland Utils	589	373	390	134
Outboard Marine	834	96	128	168
Owens-Corning Fiberglas	790	706	[illegible]	113
Owens-Illinois	803	698	337	181
Oxford Industries	410	38	36	58
Pabst Brewing	**	**	**	78
PACCAR	458	723	407	62
Pacific Gamble Robinson	814	688	757	198, 202
Pacific Gas & Electric	596	348	556	134
Pacific Lighting	461	298	415	172
Pacific Resources	258	596	833	187
Pacific Telesis Group	720	**	**	208
PacifiCorp	505	287	587	134
Paine Webber Group	234	**	45	144
Palm Beach	298	613	205	58
Pan Am Corp	961	**	846	54
Panhandle Eastern	262	404	641	172
Pantry Pride	973	**	451	202
Parker Drilling	221	**	935	178
Parker-Hannifin	420	647	391	160
Parker Pen	580	**	743	198
Pay Less Drug Stores NW	153	123	52	196
Payless Cashways	181	103	303	196
Pay'n Save	508	508	474	196
Peabody International	910	**	662	160
Penn Central	798	**	145	50, 128, 187

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Penn Traffic	668	572	627	202
J C Penney	660	228	320	194
Pennsylvania Power & Lt	617	498	581	134
Pennwalt	664	672	699	118
Pennzoil	75	541	786	187
Peoples Energy	512	563	366	172
PepsiCo	261	472	395	78, 148
Perini	648	45	**	109
Perkin-Elmer	301	393	663	50, 140
Petrie Stores	143	555	408	196
Pettibone	968	**	946	156
Pfizer	267	236	326	154
Phelps Dodge	911	**	919	170
PHH Group	81	79	238	198
Phibro-Salomon	23	73	226	144, 187
Philadelphia Electric	654	362	747	134
Philip Morris	99	141	254	214
Phillips Petroleum	285	579	805	187
Phillips-Van Heusen	774	164	94	58
Piedmont Aviation	73	366	204	54
Pillsbury	321	284	207	148, 198
Pioneer	47	227	509	172
Pioneer Hi-Bred Intl	106	198	239	148
Pitney Bowes	188	405	262	176
Pittston	908	**	922	54, 121
PNC Financial	381	147	**	71
Polaroid	880	708	787	168
Portland General Elec	557	72	636	134
Potlatch	805	730	784	195
Potomac Electric Power	632	294	280	134
PPG Industries	532	447	224	67, 113
Price Co	5	5	**	196
Primark	874	138	296	172
Prime Computer	16	50	261	122
Procter & Gamble	227	257	481	126
Provident Life & Acc	490	376	423	163
PSA	520	**	796	54
Public Service Colorado	696	371	580	134
Public Service E&G	687	469	607	134
Public Service Indiana	358	327	934	134
Pueblo International	799	594	84	202
Puget Sound Power & Lt	651	467	820	134
Pulte Home	25	47	4	109
Purolator Courier	205	121	564	54, 67
Quaker Oats	452	558	196	148
Quaker State Oil	551	353	723	187
Questar	494	187	279	172
Rainier Bancorporation	562	435	413	71
Ralston Purina	366	253	139	148
Ramada Inns	939	**	863	168
Rath Packing	981	**	951	148
Raychem	321	346	739	133
Raytheon	121	337	681	50, 128, 140
RCA	739	**	468	81, 128, 140
Reading & Bates	213	343	885	178
Reichhold Chemicals	857	595	186	118
Republic Airlines	979	**	839	54
Republic New York	108	102	158	71
RepublicBank	304	213	652	71
Research-Cottrell	812	678	777	160
Resorts International	122	725	666	168
Revco D S	163	144	251	196
Revere Copper & Brass	931	**	831	170

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Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Revlon	377	663	853	126, 154
Rexnord	825	760	815	160
R J Reynolds Industries	82	289	310	148, 214
Reynolds Metals	871	**	773	170
Richardson-Vicks	792	490	760	126
Riegel Textile	758	665	626	210
Rite Aid	102	77	74	196
RLC	906	737	**	204
Roadway Services	183	232	276	204
Robertshaw Controls	793	553	192	133
H H Robertson	257	254	203	113
A H Robins	440	170	242	154
Rochester Gas & Elec	608	275	603	134
Rockwell International	269	217	211	50, 67
Rohm & Haas	501	204	209	118
Rohr Industries	304	240	146	50
Rollins	827	677	**	198
Rolm	13	20	107	208
Roper Corp	796	470	136	126
Rorer Group	135	354	430	154
Rose's Stores	505	91	5	194
Ruddick	314	282	75	202
Ryan Homes	642	696	718	109
Ryder System	229	352	210	204
Rykoff-Sexton	671	223	162	198
Safeco	509	577	478	163
Safeway Stores	583	453	530	202
Saga	397	25	15	198
St Paul Cos	468	539	690	163
St Regis	780	734	362	181, 185
San Diego Gas & Elec	524	180	445	134
Sanders Associates	150	181	297	50, 176
Santa Fe Southern Pacific	709	464	**	204
Savannah Foods & Inds	70	**	40	148
Savin	869	**	925	176
Schering-Plough	313	573	640	126, 154
Schlumberger Limited	35	108	794	140, 178
SCM	771	661	354	113
SCOA Industries	59	207	153	194
Scott & Fetzer	383	493	200	128, 190
Scott Paper	738	627	403	126, 185
Scovill	752	**	492	113
Sea-Land	**	**	**	204
Seagram	563	111	166	78
G D Searle	186	118	134	154
Sears, Roebuck	761	430	409	144, 194
Seaway Food Town	421	547	523	202
Security Pacific	319	262	255	71
SEDCO	64	7	245	178
Service Merchandise	170	219	381	196
ServiceMaster Inds	19	69	141	198
Shaklee	72	231	377	126
Shawmut	681	156	168	71
Shell Oil	260	186	327	187
Sheller-Globe	856	**	125	67
Sherwin-Williams	689	13	50	113, 196
Shopwell	820	39	151	202
Signal Cos	647	724	680	50, 109, 128
Singer	940	**	103	50, 126
Skyline	854	707	608	109, 168
Smart & Final Iris	712	716	41	202
A O Smith	902	**	745	67
Smith International	556	**	932	178
Smithfield Foods	316	736	781	148
SmithKline Beckman	26	146	826	154
Snap-On Tools	135	479	644	67
Society	662	496	406	71
SONAT	238	126	624	172
Sonoco Products	346	338	214	181
So Carolina Elec & Gas	644	475	540	134
Southeast Banking	441	377	384	71
So California Edison	447	255	382	134
Southern Company	613	210	484	134
So New England Tel	621	361	325	208
Southern Union	351	564	659	172
Southland	335	187	590	187, 202
Southwest Forest Inds	924	**	776	113, 185
Southwestern Bell	**	**	**	208
Southwestern Public Svc	282	307	437	134
Sovran Financial	419	137	**	71
Sperry	718	699	855	50, 122
Springs Industries	783	178	412	126, 210
Square D	184	600	435	133
Squibb	557	425	584	154
A E Staley Mfg	429	637	799	148
Stanadyne	450	494	312	160
Std Commercial Tobacco	252	320	259	214
Standard Oil Indiana	236	278	526	187
Standard Oil Ohio	17	75	780	187
Stanley Works	503	565	668	126, 160
State Street Boston	244	24	16	71
Stauffer Chemical	673	**	870	118
Sterling Drug	386	350	589	126, 154
J P Stevens	894	**	653	210
Stewart & Stevenson	801	**	848	160
Stewart-Warner	832	740	621	160
Stone Container	565	**	190	181
Stop & Shop Cos	288	46	17	194, 202
Storage Technology	191	**	944	122
Storer Communications	822	**	441	81
Strawbridge & Clothier	714	198	21	194
Student Loan Marketing	27	10	**	144
Subaru of America	7	15	7	62
Sun Banks	487	212	324	71
Sun Chemical	424	748	460	118, 140
Sun Company	293	524	561	187
Sundstrand	166	592	710	50, 160
Super Food Services	652	271	77	198
Super Valu Stores	66	160	189	198
Supermarkets General	155	162	80	202
Swift Independent	349	**	375	148
Sybron	890	**	678	154
Sysco	192	74	43	198
Talley Industries	949	**	421	50, 126
Tandy	11	32	111	168
TECO Energy	463	408	485	134
Tecumseh Products	387	531	548	160
Tektronix	369	587	797	140
Teledyne	74	305	91	128, 160, 163
Temple-Inland	811	**	**	113, 181
Tenneco	366	503	804	172, 187
Tesoro Petroleum	49	419	892	187
Texaco	454	426	683	187
Texas Air	977	**	821	54
Texas American Bancshrs	412	342	331	71
Texas Commerce Bancshrs	154	95	333	71

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

Rank

Company	Profitability	Growth	Stock market	Industry survey page
Texas Eastern	338	532	824	172
Texas Instruments	745	*	570	50, 140
Texas Oil & Gas	36	35	109	187
Texas Utilities	401	250	510	134
Textron	676	680	576	50, 128, 160
Thorn Apple Valley	691	**	883	148
Thrifty Corp	397	190	131	196
Tidewater	295	751	792	178
Tiger International	966	**	930	54
Time Inc	**	**	**	81, 190
Times Mirror	247	401	281	190
Timken	821	**	733	160, 170
Todd Shipyards	38	80	370	50
Toledo Edison	611	391	767	134
Torchmark	610	267	140	163
Toro	935	**	915	126
Tosco	133	**	952	187
Toys "R" Us	50	31	8	168
Trans World Airlines	953	**	**	54
Transamerica	464	590	504	144, 163
Transco Energy	195	139	714	172
Transway International	680	694	588	204
Transworld	**	486	**	168, 198
Travelers	547	574	359	163
Tribune	686	618	**	190
Trinity Industries	109	689	542	113
Trust Co of Georgia	111	48	46	71
TRW	277	542	342	67, 128, 140
Turner Construction	77	42	118	109
Tyco Laboratories	63	495	228	181, 198
Tyler	363	642	397	160
Tyson Foods	524	442	55	148
UAL	927	**	369	54
UGI	725	756	873	172
Unidynamics	807	729	729	160
Union Camp	437	544	416	181, 185
Union Carbide	743	739	676	118, 128
Union Electric	585	373	614	134
Union Pacific	612	605	731	187, 204
Uniroyal	928	**	136	67, 118
United Brands	921	**	734	148
United Energy Resources	120	685	838	172
United Illuminating	356	205	868	134
United Merchants & Mfrs	964	**	216	58, 210
U S Bancorp	427	484	592	71
United States Gypsum	588	687	314	113
U S Home	548	726	808	109
United States Shoe	167	94	61	58, 196
United States Steel	934	**	566	170, 187
U S West	659	**	**	208
United Technologies	312	370	424	50, 113, 128
United Telecom	292	523	721	208
United Virginia Bankshrs	358	158	173	71
Univar	619	681	574	118
Universal Foods	376	258	488	148
Universal Leaf Tobacco	256	206	257	118, 214
Unocal	246	211	336	187
Upjohn	241	506	567	154
USAir Group	118	411	42	54

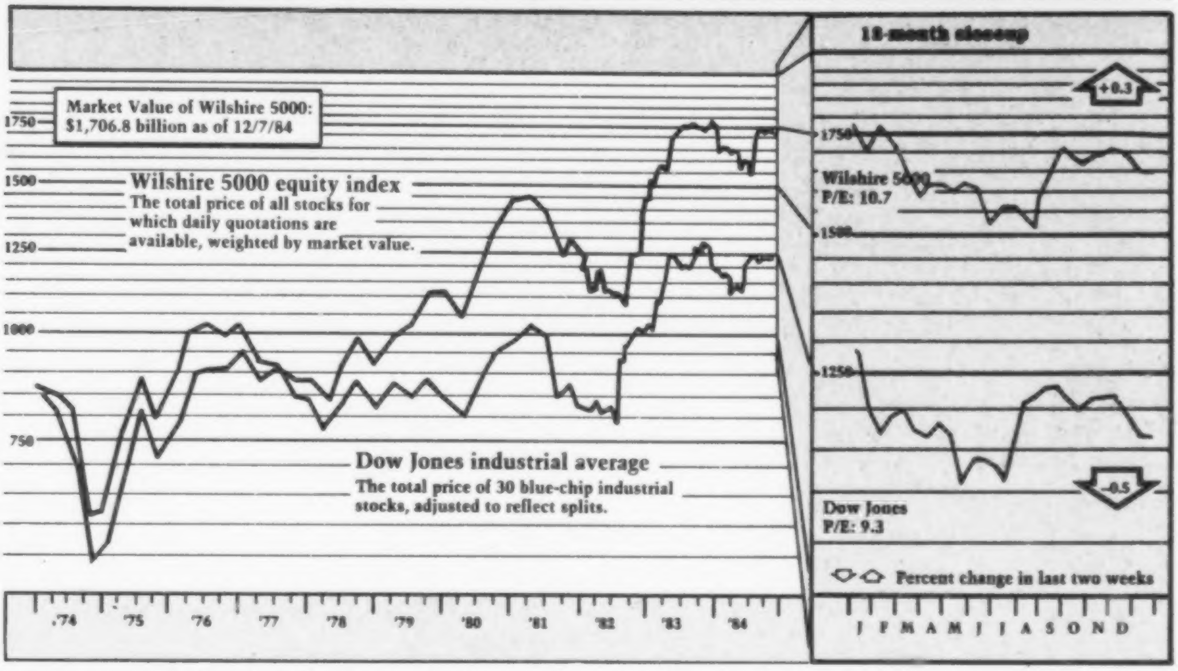
Rank

Company	Profitability	Growth	Stock market	Industry survey page
USF&G	355	661	632	163
USLIFE	543	516	528	163
Utah Power & Light	661	367	547	134
Valero Energy	145	22	913	172
Valley National	377	512	582	71
Varian Associates	791	**	233	140
VF	60	27	39	58
Vulcan Materials	249	538	260	113, 118
Wachovia	347	157	144	71
Wal-Mart Stores	28	23	6	194
Waldbaum	449	115	122	202
Walgreen	173	104	28	196
Wang Laboratories	31	17	108	122
Warnaco	194	82	79	58
Warner Communications	233	**	742	140, 168
Warner-Lambert	764	631	427	154
Washington Gas Light	725	277	476	172
Washington National	733	659	638	163
Washington Post	128	293	70	190
Waste Management	104	51	150	198
Del E Webb	885	727	537	109, 168
Weis Markets	189	163	124	202
Wells Fargo	537	436	410	71
Wendy's International	69	176	76	198
West Point-Pepperell	657	285	275	126, 210
Western Air Lines	976	**	933	54
Western Co of North Am	99	**	916	178
Western Union	900	**	867	208
Westinghouse Electric	418	330	197	50, 128, 133
Westmoreland Coal	922	**	884	121
Westvaco	641	592	356	185
Wetterau	593	584	266	198
Weyerhaeuser	731	735	819	113, 185
Wheeling-Pitts Steel	941	**	771	170
Whirlpool	327	270	240	126
White Consolidated Inds	669	664	706	126
Whittaker	202	438	778	128, 154
Wickes Cos	982	**	941	196
WICOR	751	615	660	172
Willamette Industries	768	749	650	113, 185
Williams Cos	778	218	823	118, 172
H J Wilson	606	668	625	196
Wilson Foods	959	**	352	148
Winn-Dixie Stores	172	319	368	202
Wisconsin Elec Power	552	216	309	134
Wisconsin Power & Light	457	203	463	134
Wisconsin Public Service	527	339	378	134
Witco Chemical	393	515	450	118
F W Woolworth	889	**	531	194
Worthington Industries	61	341	432	170
Wm Wrigley Jr	477	449	487	148
Wyman-Gordon	195	119	319	50, 156
Xerox	439	641	898	176
Yellow Freight System	715	580	294	204
Zale	756	**	572	196
Zapata	314	12	686	178
Zayre	475	64	3	194
Zenith Electronics	867	**	229	126; 140
Zurn Industries	377	559	654	160

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

The Forbes/Wilshire 5000 Review



Lost in space. By the end of the most recent four-week period the market finished about where it started: The broadly based Wilshire index of nearly 5,700 issues was virtually unchanged. During the last two weeks stocks quietly drifted slightly higher on generally moderate volume. The Wilshire advanced 0.3% and the NYSE gained 0.6%. But both the 30 Dow industrials and secondary issues failed to post gains. The Dow—hurt by new lows for Bethlehem Steel and Union Carbide—was off 0.5%. While Amex-listed shares lost the most ground, with a 1.1% decline, NASDAQ issues, with a 1% drop, were not far behind.

In this time of uncertainty, investors continued to buy conservative issues and to sell stocks that carry higher risk. During the last four weeks share prices of large companies rose 0.4% while those of small firms declined 4.6%. Over the same stretch, issues priced under $5 dropped 6.9%, vs. a 0.5% gain for shares priced over $40. The strength of better-quality securities gives Wall Street cause for encouragement. So does the recent drop in the prime rate and signs that the budget deficit may be reduced. If the economic recovery doesn't get sidetracked, many stocks may well end this year with higher prices than they carried in December 1984.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.0	0.5	–0.7	0.4	–3.2	–1.8
in last 52 weeks	–2.0	1.8	–5.4	0.7	–8.2	–13.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.4	–4.6	–3.7	0.2	–5.4	–0.5	1.1	–3.0	–4.8	0.6	0.5	–6.9
in last 52 weeks	–0.3	–9.4	–16.1	10.8	–21.1	7.0	8.5	–14.3	–12.3	8.7	3.5	–18.8

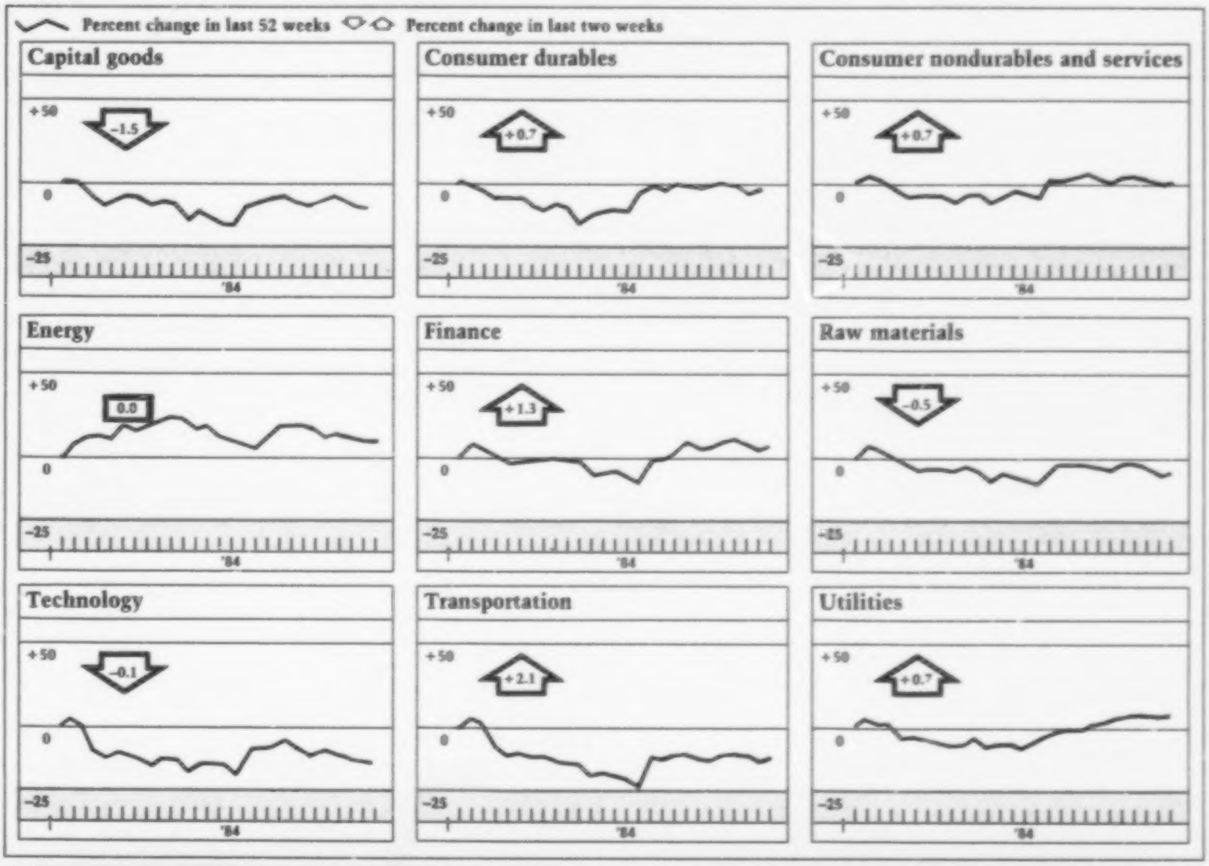
[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 12/17/84. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Margins climb as fuel costs drop. It didn't take investors long to figure out that the continued weakness in oil prices would aid the airline industry. In the last two weeks transportation stocks lead the pack with a 2.1% gain. The boost comes from healthy jumps in airline stocks as well as modest gains in the prices of rails and motor carriers. Over the past four weeks this sector also ranks first, pulling in a 3.1% gain.

For the two-week period the second best performing group is finance, which sports a 1.3% increase. Over the four-week stretch the utility sector, with a 2.2% rise, takes second-best honors. Meanwhile, three sectors—raw materials, capital goods and technology—show losses for both the two- and four-week periods.



What The Analysts Think

Still ranked first: utilities. This sector remains on top in terms of two-week changes in estimates, even though this table is now weighted according to market capitalization. There's another change, too. We now include sector P/Es based on 1984 earnings projections—and note that utilities sport the lowest estimated multiple.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.81	9.4
1984 estimates	3.96	9.1
1985 estimates	4.62	7.8

Rank based on change in estimate	Sector	Estimated 1984 EPS	Estimated 1984 P/E	% change in 1984 estimate in 2 weeks	% change in 1984 estimate in 4 weeks
1	Utilities	$3.34	7.2	0.06%	0.10%
2	Consumer durables	4.74	8.2	–0.15	–0.06
3	Energy	3.39	8.3	–0.46	–1.15
4	Capital goods	2.50	12.6	–0.65	–0.79
5	Finance	2.84	9.8	–0.75	–1.15
6	Transportation	2.66	9.2	–0.77	–1.33
7	Consumer nondurables	2.63	11.4	–0.77	–1.23
8	Raw materials	2.22	11.2	–2.36	–3.61
9	Technology	2.81	11.9	–3.47	–4.08

Earnings projections are capital-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 12/17/84. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.